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CONSUMER GOODS AND DOMESTIC TRADE

No. 39

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CONSUMER GOODS PRODUCTION AND DISTRIBUTION

CONSUMER COOPERATIVE DEVELOPMENT IN 11TH FIVE-YEAR PLAN

Moscow SOVETSKAYA POTREBITEL'SKAYA KOOPERATSIYA in Russian No 2, 1982 pp 8-11

[Article: "The Basic Directions of the Economic and Social Development of Consumer Cooperatives During the 11th Five-Year Plan"]

[Text] The increase of the retail commodity turnover and the development of the material and technical base of trade. The increase of the output in public dining of its own products. The implementation of three comprehensive goal programs. The contribution of consumer cooperatives to the fulfillment of the food program. The increase of the production of goods at their own industrial enterprises. The improvement of procurement activity. The rendering of assistance to the owners of private plots. The increase of meat production. Plans of the social development of collectives. The means of increasing the efficiency and quality of work of the sectors of the cooperative sector. The strengthening of the financial status of cooperative organizations. The campaign for the economy and assiduous use of financial resources. The results of the work of the first year of the 11th Five-Year Plan.

A detailed program of the further development of consumer cooperatives is specified in the decisions of the 26th CPSU Congress. In particular, the task is set to improve trade and public dining in rural areas and to increase the production of the goods needed by the population by means of the more efficient use of local materials and raw materials, the fattening of livestock and poultry and the raising of fish in inland watercourses.

Work has to be carried out more actively on the purchase of agricultural products from the population and kolkhozes, the trade in these production in cities and industrial centers has to be expanded, the possibilities of increasing the procurement of honey, wild fruits, berries, mushrooms and medicinal herbs have to be used more completely, assistance has to be given to rural residents in the sale of the surpluses of products, which have been produced on the private plots and in orchard and garden associations.

The retail commodity turnover of consumer cooperatives during the years of the 11th Five-Year Plan will increase by 21.6 percent and will amount in 1985 to 94.5 billion rubles. Its absolute increase will be 17 billion rubles. Moreover, the

leading growth rate of the cooperative commodity turnover as compare with state trade per person of the served population and the gradual convergence of the level of the sale of goods in the city and the countryside will be ensured.

The task of improving the structure of the commodity turnover and of increasing the proportion of nutritionally more valuable products and high quality items of the nonfood groups is being set. Trade in potatoes, vegetables and fruits will undergo extensive development.

The sale of orchard and garden implements, means of small-scale mechanization of agricultural labor, fertilizers, toxic chemicals, mixed fodders, construction and finishing materials, tools and sanitary engineering items will increase considerably in the countryside. This will promote the increase of the productivity of private plots and the expansion of individual housing construction.

The increase of the level of trade service of the rural population will require the further strengthening and broadening of the material and technical base of trade. The network of modern department stores, Tekhnika, Detskiy mir and Sporttovary stores, showroom stores for the sale of furniture and other specialized enterprises, which are engaged in the sale of cultural, personal and household goods, large food stores like the self-service department store, as well as specialized stores for trade in fruits and vegetables and baked goods has to be developed in large rural population centers.

During the 11th Five-Year Plan it is planned to increase the floor space of stores by 2.1 million m^2.

Work will be continued on the introduction of advanced forms of the sale of goods and first of all on the self-service method, the increase of additional services to customers and the delivery of goods and hot food to the workplaces of rural workers--to the fields, farms, plantations and range pastures. During 1981-1985 15,000 retail trade enterprises will be converted to self-service and, thus, by the end of the five-year plan 80 percent of all the cooperative stores will operate according to this method.

The considerable increase of the network of refrigerators, which are necessary for the supply of the population with fresh foodstuffs in a wide assortment, will become an important direction in the broadening of the base of cooperative trade. It is planned during the years of the five-year plan to build new refrigerators, in which 106,000 tons of foodstuffs will be able to be stored simultaneously.

Much attention will be devoted to the development of the network of commission stores for the sale of nonfood consumer items. During 1981-1985 it is planned to open an additional 540 such stores, as a rule, in rayon centers. The list of goods accepted on commission is being enlarged.

The role of mail order trade in the improvement of the service of the rural population will increase. During the current five-year plan it is planned to increase the volume of such sales by not less than 1.5-fold. For this mail order trade enterprises with a total area of 200,000 m^2 have to be built.

Significant progress has to be made in the development of the material and technical base of wholesale trade. Large interregional trade bases will be built. During 1981-1985 it is planned to increase the floor space of general merchandise warehouses by 1.8 million m^2. The retooling and renovation of operating interregional bases will be continued. As before, the development of direct contacts with industry and the rationalization of the movement of goods will remain the main directions of the activity of wholesale trade.

A large number of measures on the further development in cities of the network of cooperative enterprises for trade in agricultural products, the increase of the volumes of their activity, the enlargement of the assortment and the increase of product quality have to be implemented during the 11th Five-Year Plan. It is planned to set up 130 new city (regional) cooperative trade organizations and to put into operation about 180,000 m^2 of floor space of enterprises for the sale of agricultural products.

The sale by public dining enterprises of their own products will be developed at a leading rate as compared with the overall increase of the retail commodity turnover. In order to raise this sector to the level of present requirements, steps have to be implemented on the extensive introduction of the centralized production of convenience foods and delicatessen, the improvement of the quality of food, the strengthening of the material and technical base and the increase of the standards of service. In 5 years the increase of the network of public dining enterprises will come to 640,000 seats, 460 shops for the production of convenience foods and delicatessen, 370 cafeterias and 600 delicatessens and delicatession divisions are to be opened. Large integrated enterprises--food combines with restaurants, dining rooms, taverns and bars--will be built within shopping centers. The network of preparing dining rooms, which produce convenience foods and delicatessen for their supply to other dining rooms, as well as restaurants and cafes, will be enlarged.

In conformity with the decree of the CPSU Central Committee and the USSR Council of Ministers "On the Further Development and Improvement of the Activity of Consumer Cooperatives" the cooperative workers are faced with the task to increase considerably the output of convenience foods, delicatessen, confectionary items and pastries and nonalcoholic beverages. During the five-year plan their production will increase by 1.3- to 1.5-fold.

Particular attention will be directed to the improvement of the organization of the feeding of school children, the students of vocational and technical schools and the workers of sovkhozes and industrial enterprises, the development of dietetic food and the improvement of the forms of service.

All the activity of consumer cooperatives on the improvement of the supply of the population with consumer goods and the improvement of trade service is being carried out during the current five-year plan on the basis of comprehensive goal programs: the rationalization of the activity of cooperative organizations and enterprises; the increase of commodity resources; the reduction of the use of manual labor and the improvement of the use of equipment. These programs, which are closely interconnected, are a component of the long-range plan of the development of consumer cooperatives.

The food program of consumer cooperatives is an integral part of the food program of the country for the five-year plan and the more distant future. It is envisaged by means of the production of goods at their own enterprises, the procurement of agricultural products at contract prices from the population and kolkhozes and the fattening of animals and poultry to obtain commodity resources during the years of the five-year plan in the amount of about 65 billion rubles (in retail prices), which is 32 percent more than during the years of the 10th Five-Year Plan.

The production of foodstuffs at cooperative enterprises (not counting bread and baked goods) will increase by 3.3 billion rubles (a 30-percent increase as compared with the preceding five-year plan).

In 1985 as compared with 1980 the production of canned goods, sausages and beer will have increased by 1.3-fold, nonalcoholic beverages and confectionary items--1.4-fold. The output of other foodstuffs, particularly fresh frozen fruits and vegetables and canned goods made from wild fruits, berries and mushrooms, will be expanded considerably.

Cooperative bread baking will be developed mainly by means of the improvement of the assortment of products being produced. The production of flour confectionary items will increase significantly (1.5-fold).

Particular attention will be devoted to increasing the production of nonfood consumer items. During the current five-year plan it is planned to produce 2.3 billion rubles worth of them--26.5 percent more than during the years of the 10th Five-Year Plan.

It is envisaged to achieve an increase of the production of consumer goods first of all by the retooling and renovation of operating enterprises, the increase of the efficiency of the use of the available capacities and fixed capital, the introduction of more advanced technological lines and processes, the increase of the production skills of workers and the productivity of their labor and the extensive dissemination of advanced know-how.

The activity of consumer cooperatives on the increase of the purchases of agricultural products and raw materials is called upon to play an important role in the implementation of the food program.

The assurance of the timely purchase and transportation of agricultural products and raw materials and the preservation of their high quality are one of the main tasks of the purchasing agents.

For the purposes of reducing the losses it is necessary to introduce actively the transportation of products by specialized small-capacity transport, in containers, cardboard, polymeric and soft packaging and to use means of mechanization in loading and unloading. During the years of the current five-year plan it is planned to purchase from the population and kolkhozes at contract prices agricultural products worth 28 billion rubles, or 42.8 percent more than during the 10th Five-Year Plan.

Cooperative workers are faced with the task to increase considerably the volume of purchases of the gifts of nature. In 1985 it is envisaged to purchase 2.3-fold more wild fruits and berries (including cranberries and mountain cranberries) than in 1980.

Steps will be taken on the improvement of procurement activity and the strengthening of the material and technical base. In particular, during the five-year plan it is planned to build 12,000 general-purpose receiving and procurement centers, new storehouses for potatoes and vegetables with a capacity of 294,000 tons and for the storage of fruit with a capacity of 53,700 tons. It is planned to open 2,000 procurement centers and 1,200 mushroom cooking centers.

Cooperative organizations will step up the work on giving assistance to kolkhoz farmers, workers, employees and other citizens in the keeping of private plots and the increase of the production of agricultural products both for the meeting of personal needs and for the sale of surpluses of products.

The contacts with the private plots have to be strengthened in every possible way, the conclusion everywhere with citizens of contracts, which provide for specific measures of assistance and stimulation for the increase of the sale of agricultural products to cooperative organizations, has to be ensured; the countersale to the population of fodders, construction materials and industrial goods has to be developed more extensively; the sale to residents of young large-horned cattle, piglets, chicks, vegetable seedlings and nursery trees of fruit crops has to be increased considerably.

Cooperative workers have to perform much work on the increase of meat production. It is planned during the 11th Five-Year Plan to obtain more than 400,000 tons of meat, that is, to increase its production by 2.4-fold as compared with the 10th Five-Year Plan. It is envisaged to enlarge the network of livestock and poultry farms, incubator stations and fattening yards.

The further development of the cooperative sector is also closely connected with the implementation of the comprehensive goal program of the rationalization of the activity of cooperative organizations and enterprises. The adopted policy of complete rationalization not only in trade, but also in all sectors of cooperative activity, including construction and transportation, is fundamentally new. Here it is a question not of the simple sum of the measures in different sectors, but of a qualitatively higher level of their management and the creation of the conditions for the truly comprehensive development of the cooperative sectors as a whole.

The increase of the efficiency and quality of work on the basis of the optimum use of the existing material and technical base and the available manpower and financial resources is the main goal of this program. Complete rationalization is a program of the intensification of all the sectors of consumer cooperatives. The assignment to carry it out at 800 rayon unions of consumer societies and rayon consumer societies has been set for 1981-1985.

The comprehensive goal program of the reduction of the use of manual labor and the improvement of the use of equipment is acquiring under present conditions not only economic, but also great social importance. It provides for the implementation of a large number of measures on the increase of the machine-worker ratio, the more complete introduction in practice of the achievements of scientific and technical progress, the improvement of the use of equipment and the elimination of difficult manual labor and in the end is aimed at the assurance of the increase of the amounts of activity in all the sectors of the cooperative sector. The implementation of the outlined measures will make it possible during the years of the five-year plan to release conditionally 155,000 people engaged in manual labor.

Specific assignments have been established for the sectors. During the years of the five-year plan it is planned to automate and mechanize the processing of trade and economic information and the accounting work at 31 republic, kray and oblast unions of consumer societies, 120 wholesale and mail order enterprises and 150 rayon consumer societies and rayon unions of consumer societies.

The implementation of a number of measures in the area of the improvement of the work on the selection, placement and training of personnel is envisaged. During the years of the five-year plan 300,000 specialists with a higher and secondary specialized education and 856,000 workers of mass occupations will be trained. On the suggestion of the Komsomol Central Committee it is planned to send 150,000 Komsomol members and young people by means of Komsomol travel authorizations to work at consumer cooperatives.

The drafting of plans of the social development of the collectives of consumer cooperatives is new in the current five-year plan. Measures on the improvement of the social structure of the composition of workers, the improvement of the conditions of their labor and the protection of their health, the increase of the standard of living and the improvement of social and everyday conditions, the cultivation and development of the public activeness of the members of collectives are called for in these plans in conformity with the approved procedural instructions. The task of drafting and implementing these plans at every organization and enterprise is arising.

The Board of Tsentrosoyuz has approved the comprehensive plan of the improvement of the conditions of labor protection and health improvement measures for 1981-1985, in which the basic directions in this work are specified. It is envisaged to allocate for these measures about 1.8 billion rubles, which will make it possible to improve considerably the working conditions for more than 200,000 cooperative workers. Apartment houses with a total floor space of 1.9 million m^2, or 1.4-fold more than during the 10th Five-Year Plan, will be built.

For the successful accomplishment of the tasks facing consumer cooperatives it will be necessary to implement additional organizational measures, which are aimed at the accumulation of financial resources in amounts which will make it possible to perform the necessary work on the development and renovation of the material and technical base, the furnishing of enterprises with modern technological equipment, the increase of the training and the improvement of the skills of personnel.

The main prerequisite of the increase and accumulation of financial resources is the implementation of a policy of the strictest economy and thrift, particularly the decrease of marketing and production costs, the finding and use of internal reserves of the increase of the efficiency and quality of work. This requirement ensues from the decisions of the 26th CPSU Congress.

The utmost increase of the labor productivity of workers is an important condition of the making of new gains. During the 11th Five-Year Plan the increase of the volumes of economic operations in all the sectors of the consumer cooperatives should be achieved exclusively by means of its increase. It is necessary to man the staffs of newly built enterprises of trade and public dining by the redistribution of the number of workers at operating stores, dining rooms, restaurants and so on. The solution of this problem should follow the path of the consolidation

and modernization of enterprises, the improvement and extension of the practice of the centralized supply of stores with goods, the introduction of modern methods of customer service and the use of more efficient technological equipment.

In public dining success can be achieved by the considerable increase of the production of delicatessen and convenience foods at base enterprises and their supply to smaller dining rooms, restaurants and cafes, the use of economical equipment and the introduction of a modern technology of preparing dishes. On the scale of consumer cooperatives the implementation of such measures would make it possible to save the labor of 527,000 workers.

An important direction of the economy of financial resources is an assiduous attitude toward them, the speeding up of the turnover rate of working capital and the skillful shifting of foods so as to prevent the appearance of above-standard stocks and the accumulation of so-called unmarketable and old items.

During the 11th Five-Year Plan it is planned to speed up the turnover rate of goods by 5 days, which will make it possible to release 160 million rubles of working capital and to increase the revenue by more than 25 million rubles.

It is necessary to perform more purposeful work on the assurance of the keeping capacity of physical assets, the prevention of possible cases of embezzlements, shortages and thefts, the damage of goods, the banning of nonproductive expenditures and mismanagement. The strengthening of the financial status of an organization or enterprise also presumes the economical consumption of fuel, electric power, construction materials and raw materials.

One of the conditions of the assiduous expenditure of assets is the increase of the return from capital investments. It is possible to achieve it, for example, by allocating assets for the renovation of operating facilities and the replacement of obsolete equipment, by purposefully implementing in practice the achievements of scientific and technical progress and modern production technology, by shortening the period of construction of projects, decreasing the cost of construction and reducing the amounts of unfinished construction. The effectiveness of the use of fixed capital has to be increased.

It is necessary to establish strict monitoring of the state of the economy in all sectors. The improvement of the work on the collection of glass containers from the population also provides a significant gain and leads to the increase of the profitability of enterprises.

The further improvement of the system of the management of the cooperative sector, which promotes the tightening up of the monitoring of the increase of the volume indicators and the assiduous use of material, raw material, fuel, energy and manpower resources and serves as a prerequisite of the increase of the efficiency and quality of work, is of enormous importance for the accomplishment of the tasks facing cooperative workers during the 11th Five-Year Plan.

It is impossible to achieve the increase of the volumes of cooperative activity and the improvement of its end results without the efficient organization and improvemen of the forms of socialist competition in the unions of consumer societies and cooperatives. The main attention here should be directed toward the successful

fulfillment of the plans and obligations and the achievement of the best results of labor with the least expenditures.

The use of all the reserves of the strengthening of the financial and economic situation of cooperative organizations will make it possible to increase the profit by 28-30 percent.

The cooperative workers of the country worked quite well during the past year. They, like all the Soviet people, having developed socialist competition extensively, made definite gains in the development of economic operations and ensured the fulfillment of the basic plan assignments and socialist obligations.

The retail commodity turnover amounted to 78 billion rubles and increased as compared with the preceding year by 3.5 percent. The plan of the commodity turnover was exceeded by 1 billion rubles, which corresponds to an additional assignment and exceeded the assumed obligations. All the unions of consumer societies of the union republics fulfilled the plans.

The enterprises of public dining exceeded the plans of the retail commodity turnover and the output of products of their own production, the above-plan sales of these products amounted to 50 million rubles (with obligations of 40 million rubles). Their share in the commodity turnover of public dining increased.

The sale of agricultural products purchased at contract prices came to 2.2 million rubles (it increased by 15 percent as compared with 1980).

The sales volume of products of cooperative industrial enterprises amounted to 6.3 billion rubles, the increase as compared with the preceding year was 5.1 percent. The plans of the production of canned goods, sausages, confectionary items and nonfood consumer items and the assignment on the catching of fish were exceeded.

Last year at the fattening yards of consumer cooperatives a weight gain of meat and poultry of more than 60,000 tons was obtained--20.7 percent more than in 1980.

The plans of the purchases of potatoes, fruits, grapes, eggs, wool and other types of agricultural products and raw materials were exceeded. The volumes of the purchases from the population and kolkhozes at contract prices of meat, domestic fowl, milk and dairy products, eggs, fruits and other products increased considerably.

The annual plans of capital investments and the obtaining of the profit were fulfilled.

Great and responsible tasks face the workers of consumer cooperatives during the 11th Five-Year Plan, but it can be safely said that they will be accomplished. The successful start and the results of the work in 1981 attest to this.

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ROSTOVSKAYA OBLAST CONSUMER COOPERATIVES

Moscow SOVETSKAYA POTREBITEL'SKAYA KOOPERATSIYA in Russian No 2, 1982 pp 4-7

[Article by First Secretary of the Rostovskaya Oblast Committee of the CPSU I. Bondarenko: "Concern About Man Is at the Center of Attention"]

[Excerpts] During the first year of the current five-year plan the 1980 level was exceeded for the basic types of products of animal husbandry.

The workers of the consumer cooperatives are also making their contribution to the important matter. Having vast internal assets and skilled personnel, they are improving trade in the countryside, are purchasing about 60 types of agricultural products and raw materials for industry and are producing consumer goods worth tens of millions of rubles.

The procurement activity of the oblast union of consumer societies deserves a positive rating. Whereas during the Ninth Five-Year Plan the procurement turnover for the system came to 847 million rubles, during the 10th Five-Year Plan it exceeded 940 million rubles. An even greater turnover is expected during the current five-year plan.

The increase of the amounts of purchases required considerable efforts on the strengthening and broadening of the material and technical base. During the 10th Five-Year Plan more than 10 million rubles were spent on its development. At present the oblast union of consumer societies has 84 storehouses for potatoes, vegetables and fruits, 20 fermentation and pickling centers and 940 permanent receiving and procurement centers. The total capacity of simultaneous storage comes to about 22,000 tons of agricultural products. The further increase of the amounts of procurement will require the enlargement of the material and technical base and its provision with modern equipment and refrigerators for the storage of products for a long period. The managers of the consumer societies have much to do in this respect.

The purchasing agents are also constantly improving the methods and organization of their work and are using advanced know-how. Transit shipments of procured fruits and vegetables to industrial centers of the country directly by kolkhozes and sovkhozes of the oblast in accordance with the orders of the rayon procurement offices have found extensive use. Such an organization of delivery is making it possible to broaden the front of the loading of railroad cars, the procured products are delivered directly from the vegetable plantations to the cars, bypassing the

unnecessary reloading at the fruit and vegetable bases. Owing to this vegetables and fruits get to the consumer faster, their quality is retained better.

Private plots, from which citizens obtain a large amount of agricultural products, take up hundreds of hectares in our oblast. General Secretary of the CPSU Central Committee and Chairman of the Presidium of the USSR Supreme Soviet Comrade L. I. Brezhnev has more than once spoken about the need for the more complete utilization of the potentials of private plots. "Local organs, kolkhozes and sovkhozes," Leonid Il'ich emphasized in a speech at the 16th Congress of Trade Unions, "are called upon to contribute to the success of this work. Consumer cooperatives could also give important assistance. In particular, it would make sense to assign to it great responsibility for the organization of the marketing of the surpluses of agricultural products, which the rural population and kolkhozes have."

The Don cooperative workers, in fulfilling these instructions, are striving to commit to the turnover the maximum surpluses of agricultural products, which the population has, and are intensifying the work among individual suppliers. Particular attention is being devoted to rounds of the households for the purpose of establishing the possibilities of the private plots and of concluding on this basis contracts with citizens on the sale of surpluses. In addition to purchasing agents the deputies of the local soviets, members of the block committees and activist shareholders have been enlisted in this work. During the 10th Five-Year Plan the consumer cooperatives purchased from the population more than 85,000 tons of meat, 665 million eggs, more than 155,000 tons of vegetables, 32,000 tons of fruits, 7,000 tons of bee's honey and much other agricultural produce.

This work is acquiring a broader scope during the 11th Five-Year Plan. In 1981, for example, the cooperative workers surveyed 290,000 homesteads and concluded with the population 156,000 contracts for the sale of nearly 10,000 tons of meat, more than 20,000 tons of vegetables, over 58 million eggs and up to 800 tons of sunflower seed. The outlined indicators were fulfilled.

Practice shows that the contract system is of great social importance and completely justifies itself. In this case the consumer cooperatives set up their own control over the private plots and help citizens to better dispose of the surpluses of agricultural products. The supplier need not, as they say, "guess" when, where and at what price he will be able to sell the surpluses. The board of the oblast union of consumer societies should in the future improve this work with the population and change over to the conclusion of long-term contracts.

The initiative of the board of the oblast union of consumer societies and the oblast committee of the Union of State Trade and Consumer Cooperative Workers on the holding of oblast contests for the best organization of purchases from the population of meat, vegetables, fruits, honey, wool and others merits approval. In accordance with the terms the purchasing agents and individual suppliers, who are the contest winners, are awarded honorary diplomas and valuable gifts, goods of increased demand are first of all sold to them. In 1981, for example, about 300 passenger cars of various makes, a considerable number of motorcycles, carpet items and other goods were sold.

The oblast rallies of purchasing agents and individual suppliers of agricultural products are of great organizing and educational importance. They are usually

held at the end of the year, when the preliminary results of the work on purchases of surpluses are already known. The rayon party committees and the executive committees of the city and rayon soviets of people's deputies are taking an active part in this measure. The rally participants share work experience and give advice on how in the future to improve the use of the food resources of the oblast and to increase the purchases of surpluses of agricultural products and raw materials for industry. The leaders are immediately awarded honorary diplomas of the oblast party committee and the oblast soviet executive committee, letters of thanks are presented to them.

The cooperative workers are striving to meet more completely the demand of the owners of private plots for orchard and garden implements, mineral fertilizers, toxic chemicals, polyethylene film, construction materials and mixed fodders. All the stores of household goods trade in them. Last year more than 7 million rubles of these goods were sold.

The oblast party committee and the oblast soviet executive committee annually adopt a comprehensive program which is aimed at increasing the output of agricultural products on the private plots and establish for kolkhozes and sovkhozes, the Ptitseprom Association and the broiler farm assignments on the sale to the population of hogs and poultry. As a result about 600,000 piglets, up to 30 million chicks and many other young animals are sold annually to citizens.

Such a method of developing poultry raising and animal husbandry as the raising of poultry by kolkhoz farmers on private plots and the fattening of livestock and hogs on a contractual basis with consumer cooperatives is also being encouraged in every possible way. Such a practice is especially prevalent in Zimovnikovskiy, Semikarakorskiy and Millerovskiy Rayons. In conformity with the contract the cooperative organizations provide citizens with young livestock and poultry, assume the expenses connected with veterinary service and allocate concentrated fodders. The final settlement is made as follows. Half of the weight gain obtained during the period of fattening is turned over without compensation to the consumer cooperative, while the supplier is paid for the second half at purchase prices for each kilogram of live weight. Last year more than 70,000 fowl and about 800 hogs were raised by this method.

The attachment of zones of activity to the purchasing agents of the rayon consumer societies, the drawing up and approval of schedules of the hauling of agricultural products from the place of purchase and the timely provision of the suppliers with containers and packaging materials are also of great importance in the work with the population. All this increases the good organization in work, disciplines people and promotes the speeding up of the shipment of the purchased products.

The efforts of the cooperative workers are yielding good results. During the first year of this five-year plan more than 25,000 tons of meat in dressed weight were purchased--nearly 3,000 tons more than in 1980. The volumes of the purchases of eggs, milk, grain products, vegetable oil, bee's honey and others also increased considerably. The purchasing agents of the Yegorlykskiy, Sal'skiy, Zernogradskiy, Oktyabr'skiy, Matveyevo-Kurganskiy and Tselinskiy Rayon Consumer Societies are achieving the best results. Relying on an extensive group of active shareholders and with the constant support of the local party and soviet organs they regularly exceed the assignments.

However, the oblast union of consumer societies is using far from completely the available reserves and opportunities for increasing the procurements and purchases of agricultural products. It has been calculated that if each rural farmstead were to raise and sell 5 fowl each, it is possible to increase the volume of purchases of poultry meat for the union of consumer societies as a whole to 2,000 tons. This is just one reserve of the increase of products, but there are many of them. Not all of the rayon procurement offices are coping with the plans and socialist obligations, here and there losses of products are being allowed, their quality does not conform everywhere to the state standards, the fruit and vegetable storehouses are being used inefficiently at some rayon consumer societies.

Much work with suppliers on the conclusion of long-term contracts lies ahead. It is a question of involving the entire population having private plots in the organized delivery of surpluses of agricultural products.

Here particular attention has to be devoted to what is called "the backwoods." Here the residents, who keep livestock and domestic fowl, often do not sell the surpluses simply because there is nowhere to market them. At present in the oblast there is one receiving center per 430 farmsteads, while according to the norm it is suggested that there should be such a center for 300 farmsteads.

The oblast party committee is recommending to the boards of the oblast union of consumer societies and the rayon consumer societies that they open more receiving centers with an efficient technology of the receipt and storage of the surpluses of agricultural products, which are being purchased from the population. In recent times a new type of general-purpose procurement enterprise--the store-center--has appeared in the system. Here the supplier can not only sell surpluses, but also by way of counter trade purchase goods of increased demand. Such store-centers are operating successfully in the Zernogradskiy, Yegorlykskiy, Neklinovskiy, Semikarakorskiy and many other rayon consumer societies. The oblast party committee has approved the innovation and recommended it for extensive dissemination.

The raising and fattening of animals at cooperative subsidiary farms are an important source of the replenishment of food resources. This sector, which is in essence new in consumer cooperatives, requires constant attention on the part of party and soviet organs and the executives of cooperative organizations. The questions of the development of subsidiary farms and the use by cooperative workers of the reserves of the production of meat are being discussed in the bureaus of the rayon party committees and at the meetings of the executive committees of the rayon soviets of people's deputies. Vacant tracts of land are being sought for these farms, the construction of barns is being carried out, agricultural equipment and implements are being purchased, fertilizers are being allocated and livestock veterinary service is being organized.

At present 48 subsidiary farms, at which tens of thousands of large-horned cattle, hogs and rabbits and hundreds of thousands of fowl are kept, have been set up in the oblast. More than 4,000 hectares of land, modern agricultural equipment and machinery, which facilitate the labor of the livestock raisers, are at their disposal. An agricultural division, which is manned with skilled personnel, has been set up in the oblast union of consumer societies for the management of the subsidiary farms.

Many subsidiary farms have organized the work in an exemplary manner. Thus, the farm of the Yegorlykskiy Rayon Consumer Society, which communist S. Vdovenko manages, is well known far beyond the oblast. It has 475 hectares of farmland, 7 tractors, 6 cultivators and 2 combines. A hog fattening yard for 1,800 head, 2 sow pens for 100 head each, a barn for 600 head, a warehouse for fodders and 2 silage pits have been built for the keeping of the animals. The delivery of fodders, water supply and the removal of manure have been completely mechanized in the pig sties. The small collective of livestock raisers has increased the annual meat production to 400 tons, while this year it has bound itself to provide not less than 500 tons of it.

The collectives of the subsidiary farms of the Tatsinskiy, Millerovskiy, Zimovnikovskiy and other rayon consumer societies are working successfully.

The development of the material and technical base of animal husbandry is being accomplished by the oblast union of consumer societies by two means. The first is the use of the barns, which are being released at kolkhozes and sovkhoses, and their renovation. This does not cost the cooperative workers much, while it is of great benefit. For example, the Neklinovskiy Rayon Consumer Society reequipped on its own four production buildings for poultry houses, which were previously not being used by kolkhozes.

The buildings being released at kolkhozes and sovkhozes are also being successfully used by the Matveyevo-Kurganskiy, Sal'skiy and other rayon consumer societies.

The second means is the construction of new standard main buildings. The Neklinovskiy Rayon Consumer Society is doing much in this direction. Not that long ago a duck house for 130,000 head was put into operation here. The North Caucasian Scientific Research Institute of Rural Construction elaborated an interesting plan of a hog complex which will be built in the village of Pokrovskoye. More than 3,000 hogs will be fattened here annually. It includes a sow pen, a hog fattening yard, a boiler house, a fodder shop, an isolation ward and a meat processing shop.

During the current five-year plan at the subsidiary farm of the rayon consumer society it is planned to build 2 sow pens for 200 head each, 2 fattening yards for 1,800 head, 200 hectares of land have been allocated to the farm. By the end of the five-year plan meat production will double and will increase to 1,000 tons.

The Neklinovskiy Rayon cooperative workers are backing their obligations with concrete deeds. Last year more than 500 tons of meat were produced and more than 300,000 fowl were raised.

In Tatsinskiy Rayon on the recommendation and with the active assistance of the rayon party committee they have begun the creation of a livestock complex for meat production. A leading role in this is being assigned to the rayon consumer society. Board chairman and communist M. Andrusenko headed the council for the construction of the complex, to which executives of rayon organizations--the Mezhkolkhozstroy Construction and Installation Administration, Sel'khoztekhnika, the oil plant, the forestry management and others--belonged. The work is being performed on a proportionate basis, a system of contra acounts between the participants has been specified. All the labor-consuming processes connected with the care and feeding of the animals will be completely mechanized.

At the meeting of their oblast aktiv the cooperative workers of the Don assumed new, higher socialist obligations for the 11th Five-Year Plan. It was decided by means of the increase of the efficiency of the use of the production base, the creation of a stable productive herd and the strengthening of the fodder base to increase the production of meat in live weight by the end of the five-year plan to 10,000 tons a year, which is threefold more than in 1980. The bureau of the oblast party committee and the oblast soviet executive committee approved of the valuable initiative and obliged the city and rayon party committees and the executive committees of the city and rayon soviets of people's deputies to step up the organizing and mass explanatory work locally on the rallying of the collectives of the consumer cooperatives for the successful fulfillment of the obligations.

In 1981 the subsidiary farms delivered for fattening 32,000 hogs--4,500 more than in 1980, 4,550 head of large-horned cattle and about 30,000 rabbits and raised 810,000 fowl, which is 100,000 more than was outlined by the obligations. About 5,000 tons of meat were produced instead of the planned 4,450 tons.

We realize that this is not the limit, the potentials of the oblast for the production of meat and other foodstuffs is considerably greater, but the misfortune is that they are not always and not completely being utilized. Take, for example, rabbit breeding. Unfortunately, the consumer cooperatives, kolkhozes, sovkhozes and the population of many villages and hamlets of the Don for the present are not engaging sufficiently in the breeding of rabbits. And in this, apparently, is our common omission. The oblast party committee and the oblast soviet executive committee are orienting the party, soviet and economic organs so that they would be more concerned about the creation of public rabbit raising farms at kolkhozes and sovkhozes, which could become the base for the development of rabbit breeding on the private plot and its supply with young breeding animals. And we demand of the boards of the oblast union of consumer societies and the rayon consumer societies that they step up the work with voluntary rural and rayon societies of amateur rabbit breeders, help the development of abbit breeding on the private plot, enlist new members in the society, promote this sector in every possible way through the local press, exhibitions and so forth.

Fish breeding is no less important a source of the replenishment of food resources. Although specialized fisheries have been created in all the rayons of the oblast, all the same unused watercourses still exist here and there. The Kagal'nitskiy Rayon Consumer Society can serve as a good example. With the assistance of local party and soviet organs the board of the rayon consumer society organized the raising of pond fish in a reservoir with an area of 250 hectares. In a year the cooperative workers caught and sold to the population 20 tons of fresh fish, in the future it is planned to set up there a complex fishery, which will be able to provide annually up to 300 tons of fish.

Many questions of the increase of food resources are being and will be solved in the oblast on its own. But there are also those which are beyond our competence. Thus, the subsidiary farms have extremely too little machinery and agricultural equipment. According to the statute Sel'khoztekhnika is obligated to supply subsidiary farms, regardless of their departmental subordination, with agricultural macinery and implements, equipment and spare parts in the same way as kolkhozes and sovkhozes. Unfortunately, in reality this does not alway happen. It seems that it is time to solve basically the question of the planned supply of subsidiary farms with agricultural equipment and machinery.

While intensively developing their own production and the fattening of livestock and poultry and increasing the procurement and purchases from the population of surpluses, the Don cooperative workers from year to year are increasing the output of sausages, canned goods, confectionary items and others. During the 10th Five-Year Plan alone they produced and sold consumer goods worth 468 million rubles, including foodstuffs worth 390 million rubles.

During the 11th Five-Year Plan the production activity of the consumer cooperatives is undergoing further development. The Bataysk Meat Combine is already in operation. It is planned to increase its capacity to 3,500 tons of sausage a year. A shop for the production of convenience foods is being built here. The renovation of the Zimovniki Meat Combine will be carried out, and in the future the construction of a meat processing enterprise in Kamensk is planned. These three mighty combines will enable the cooperative workers to process in good time the meat products of all the rayon consumer societies and to increase product quality.

The renovation of the Zernograd and Razbilenskiy Canneries, the Aksay Bread Combine and the Tsimlyansk Brewery will be carried out. The construction of shops for the production of sausage, confectionary items and nonalcoholic beverages and of warehouses for the bulk storage of flour is being planned in nine rayon consumer societies. A shop for the production of eastern candies is being built in the Yegorlykskiy Rayon Consumer Society.

By means of the further increase of the production capacities cooperative industry during the 5-year period will increase the output of bread by 150 tons a day, sausage by 12 tons a shift and canned goods to 10 million conventional cans a year. The product assortment will be enlarged.

The Don cooperative workers with the active assistance of party and soviet organs are using every opportunity for the increase of the production of foodstuffs and are striving to meet more completely the needs of the population for food products.

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MEAT PRODUCTION GOALS, PROBLEMS

Moscow MYASNAYA INDUSTRIYA SSSR in Russian No 3, Mar 82 pp 1-3

[Article: "Carry Out the Processing of Livestock and Poultry in 1982 in Good Time, With a High Quality and Without Losses"]

[Text] In implementing the decisions of the 26th CPSU Congress, the labor collectives of the meat industry directed their efforts toward the increase of production efficiency and work quality. As a result in 1981 as compared with 1980 the production of meat, intermediate meat productions, canned meats and vegetables and dry animal fodders increased. Positive changes occurred in the use of raw materials and material resources. New standards and standard materials, which envisage the reduction of the consumption and losses of raw materials, intermediate products and finished products, were elaborated and adopted. By means of the more complete and efficient use of livestock, meat and the products of their processing in 1981 the resources of meat increased by 432,000 tons. The output of products per ton of processed livestock rose, the profitability was increased and the production cost was reduced.

The production engineering base of the meat industry was expanded. Production capacities for the output per shift of 462 tons of meat, refrigerator capacities for 22,000 tons of simultaneous storage and others were put into operation. Meat combines were put into operation in the cities of Shumikha of Kurganskaya Oblast, Priluki of Chernigovskaya Oblast and Ternopol'. Refrigerators were put into operations at the meat combines in the cities of Ussuriysk, Perm', Atyashevo and Tikhoretsk, meat processing plants were put into operation in the cities of Severodvinsk, Ust'-Kut of Irkutskaya Oblast and Cheboksary.

Work was continued on the further increase of the technical level of production and the introduction of new equipment, advanced technology and completed scientific research developments. About 200 new types of mechanized flow lines, automatic machines, un ts and automated systems were introduced in production. Among them are automatic machines for the production of sausages, flash freezing units, Bogatyr' units for the stunning of hogs, sets of equipment for the preservation of hides in brine with the recovery and purification of the brines, lines for the complete processing of bone, sets of equipment for the production of ham items, automatic water temperature regulating systems in the vats of the heat treatment of poultry and others.

Last year many enterprises and production associations performed much work on preparing for the season of the mass receipt and processing of livestock, poultry and rabbits. The enterprises of the Stavropol', Belgorod, Buybyshev and Volgograd Production Associations of the meat industry of the RSFSR, the Dnepropetrovsk and Donetsk Associations of the Ukrainian SSR, the Panevezhis and Taurage Meat Combines of the Lithuanian SSR, the Rakvere Meat Combine of the Estonian SSR and others prepared for the season in an organized and high quality manner. This enabled them to achieve high indicators in the increase of production efficiency and work quality.

At the same time a number of enterprises of the ministries of the meat and dairy industry of the RSFSR, the Kazakh SSR, the Turkmen SSR, the Azerbaijan SSR and the Latvian SSR did not take the necessary steps on the organization of the proper conditions of the receipt and processing of livestock during the period of its mass arrival. At the Aktyubinsk Meat Combine of the Kazakh SSR due to the disrepair of the equipment and the incomplete use of the capacities for the production of dry animal fodders the inedible raw materials were processed late, the term of the preslaughter housing of livestock was violated. Instances of the hauling of inedible raw materials to the dump occurred at the Mary and Chardzhou Meat Combines of the Turkmen SSR, the Dushanbe and Kurgan-Tyube Meat Combines of the Tajik SSR, the Tobol'sk and Ishim Meat Combines of Tyumen' Production Association of the meat industry of the RSFSR. At these enterprises the conditions for the collection of nutritive and industrial blood were not created, public health conditions of production were not ensured. Gross violations of the regulations of the receipt and processing of livestock were committed at the Novospasskoye Meat Combine of the Ul'yanovskiy Production Association of the meat industry of the RSFSR. The livestock at the base of this enterprise were housed under unsanitary conditions, violating the feeding schedules and the time of their processing.

The removal of the fat from the bones, which were sent for the production of dry animal fodders and glue, as well as the collection for food purposes of the hide fat, the meat and fat scraps, which are obtained when processing the hides, were not ensured at some meat combines. The inadequate technical equipment was responsible for losses of raw materials and their inefficient use at the slaughter centers and at a number of enterprises.

The state purchases of livestock and poultry are envisaged by the national economic plan for 1982 in the amount of 17.7 million tons, which is 10 percent more than the actual purchases of 1981. A significant growth rate of the purchases of livestock is envisaged by the plan in the RSFSR, the Ukrainian SSR, the Belorussian SSR and the Moldavian SSR.

During the 1982 season, as in past years, the arrival for processing of the bulk of the livestock in accordance with state purchases--about 60 percent of the annual amount--is expected during the second half of the year, including 64 percent for the Georgian SSR, 65 percent for the Armenian SSR, the Kazakh SSR and the Estonian SSR and 76 percent for the Kirghiz SSR.

The task of the workers of the meat industry in 1982 is to process all the livestock in a short period in an organized manner and without losses and to ensure high technical and economic indicators of the work of the sector. For the timely and high quality preparation of enterprises of the meat industry for the season of the mass receipt and processing of livestock and poultry, as well as for the purpose of

ensuring the fulfillment of the plans and socialist obligations on the production of meat and meat products and the more efficient use of the products of slaughtering the ministries of the meat and dairy industry of the union republics need to ensure at every enterprise the elaboration and implementation of specific measures on the preparation of the production engineering base for the season of the receipt and processing of livestock and poultry. Here there should first of all be borne in mind the assurance of the fulfillment and exceeding of the plans of the purchases of livestock and the production of meat and meat products in accordance with the established products list, the improvement of product quality, the complete and efficient use of edible raw materials for the output of foodstuffs and of inedible raw materials for the production of fodders for animal husbandry, the increase of the output of products per ton of processed raw materials. Serious attention should be directed to the preparation for the season of small-capacity slaughter centers and enterprises, having envisaged the creation at them of the conditions for the complete collection and preservation of all the products of slaughtering, which are obtained from the processing of livestock. It is important to implement measures on the organization at enterprises of the collection and use for food and fodder purposes of the broths which are obtained during the production of meat items.

A large program of repair operations has to be implemented at enterprises of the meat industry. For the sector as a whole about 600 plants and shops of the primary processing of livestock, about 4,000 units of basic technological equipment, 1,100 steam boilers and 327 treatment plants will be repaired.

Along with the preparation of meat and fat production for the season of the mass processing of livestock, much work should be performed on the creation of the conditions for the continuous operation of meat processing plants and shops.

When preparing the meat industry for the season of the mass receipt and processing of livestock in 1982 particular attention should be devoted to the repair of refrigerators and refrigeration equipment. This year the compartments for the chilling and freezing of meat and meat products with a productivity of 13,000 and 15,600 tons a day, refrigeration compartments for the storage of meat with a total capacity of 400,000 tons and 680 compressor shops should be repaired. In 1981 some enterprises poorly prepared the refrigerators for the work season, which complicated the heat treatment of meat. For example, at the Tokmak Meat Combine of the Kirghiz SSR, the Liyepaya Meat Combine of the Latvian SSR and the Kurgan and Groznyy Meat Combines of the RSFSR due to the poor quality preparation for the season during the operation of the refrigerators a number of substantial shortcomings, the violation of the prevailing instructions and the failure to observe the conditions of the refrigeration treatment of meat and products, which led to above-standard losses of meat, were established. The changeover of the operating refrigerators to intensified methods of the refrigeration treatment of meat and meat products is being carried out slowly, the capacities of flash freezing units are being used unsatisfactorily; the steps on the reduction of power expenditures by the changeover of refrigeration systems to automatic operating conditions are inadequately effective.

The Collegium of the USSR Ministry of the Meat and Dairy Industry has outlined measures on the timely preparation of the meat industry for the season of the mass processing of livestock and poultry in 1982. Commissions, which are commissioned to

rate each enterprise according to the readiness of the production engineering base for operation during the season and the creation of the necessary conditions for the complete and efficient use of all the raw materials arriving for processing, should be set up in the republic ministries, at production associations and enterprises.

During the first half of this year the majority of enterprises, especially meat and fat works, have been operating with an incomplete workload, which may lead to the turnover of personnel. Effective steps on the retention of workers of the leading occupations during the period between season should be taken, the training at vocational and technical schools and directly at enterprises of skilled workers in the numbers necessary for the fulfillment of the production program should be organized in good time. Jointly with trade union organizations it is necessary to approve for each enterprise the work schedule of the production sections, shops and plants, having ensured their two-shift operation during the period of the maximum arrival of livestock and poultry at the enterprises of the industry.

A high sanitary engineering condition of production and the meeting of the requirements in accordance with labor safety procedures and techniques should be ensured for the increase of the growth of labor productivity and the improvement of product quality, these measures should be taken into account without fail in the plans of the repair and renovation of production shops and sections. It is necessary to devote much attention to the high quality repair of the bases of the preslaughter housing of livestock, sanitary slaughter houses, the stations of the washing and disinfection of trucks and the production laboratories of the department of industrial veterinary control.

Organizing work, which is aimed at the increase of the marketability of livestock and the unconditional fulfillment of the contracting agreements, must be developed on the basis of the further development of the direct contacts of industry with kolkhozes and sovkhozes jointly with the ministries of agriculture and the ministries of procurement of the union republics. At each enterprise (association) the strict observance of the established rates of consumption of raw materials and the yields of finished products must be achieved, decisive steps must be taken on the introduction of waste-free technology in production.

It is necessary to devote serious attention to measures on the increase in 1982 of the processing of livestock for the needs of kolkhozes, sovkhozes, the population and consumer cooperatives under the conditions of the supply of raw materials by the customer. Services for the transportation of livestock and finished products and the refrigeration processing of meat and meat products and the production from customer-supplied raw materials of sausages, smoked foods and other products should be organized for this at meat combines. The fulfillment of the decree of the CPSU Central Committee and the USSR Council of Ministers "On the Stepping Up of the Work on the Economy and Efficient Use of Raw Material, Fuel, Energy and Other Material Resources" should be under special control. It is necessary to observe steadfastly and strictly in all production sections the requirements of technological discipline and public health regulations, not to allow instances of the release of products to consumers with a deviation from the standards and specifications and to take in good time steps which rule out every possibility of the output of poor quality products.

In implementing the decisions of the 26th CPSU Congress, the assumptions and conclusions, which were set forth in the speech of General Secretary of the CPSU Central Committee Comrade L. I. Brezhnev at the November (1981) CPSU Central Committee Plenum and in striving to mark the 60th anniversary of the formation of the USSR with new labor gains, the collectives of the enterprises of the Moscow, Stavropol' and Krasnodarsk Associations of the meat industry and of the brigades of meat boners of the Dnepropetrovsk and Kiev Meat Combines adopted socialist obligations on the early fulfillment of the 1982 plan and the assignments of the 11th Five-Year Plan, the increase of production efficiency and work quality, the efficient use of raw material, fuel and energy resources. The ministries of the meat and dairy industry of the union republics need to disseminate extensively the experience and initiative of these collective, so that they would become accessible to all workers, engineers, technicians and employees of the sector.

The workers of the meat industry will increase even more persistently production efficiency and work quality and will apply all efforts, knowledge and experience for the fulfillment of the set plans and socialist obligations of the second year of the five-year plan and thereby will make a worthy contribution to the implementation of the economic and social program of the party, which was adopted by the 26th CPSU Congress.

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CONSERVATION, THRIFT IN INDUSTRY REPORTED

Moscow SOTSIALISTICHESKAYA INDUSTRIYA in Russian 6 Apr 82 p 1

[Summary of letters to the editor by V. Deniskin, SOTSIALISTICHESKAYA INDUSTRIYA deputy editor for economics and propaganda: "Conservation and the Instruction"]

[Text] SOTSIALISTICHESKAYA INDUSTRIYA received a great deal of varied mail in March: on the average the letter carriers brought nearly 500 letters a day. Readers write with great enthusiasm about the 17th Trade Union Congress which has just been held. They see its materials, the speech delivered at the congress by Comrade L. I. Brezhnev, as a vivid new manifestation of the party's unstinting concern about our society's dynamic development and about the well-being of the Soviet man. The authors of the letters have responded with warm approval to the new peace initiatives of the Country of Soviets expressed in the speeches of party and government leaders at the congress and at the ceremonies in Tashkent.

Concern is expressed in many letters about shortcomings in the organization of production and consumer, municipal and other services. The editors have received about 800 official responses to the charges readers have expressed. The questions and proposals contained in nearly a fourth of the letters have been resolved favorably at the local level, while exhaustive responses and consultations were furnished to the other letter writers.

Today we offer for your attention the traditional monthly review of letters devoted to the questions of conservation and thrift.

It is not a large factory, it's as if it could fit in the palm of your hand. As they say, you can stretch your hand from one section to another. There is a traditional forge here, engaged in the job it has had since the world began--the production of forgings. The forge workers work conscientiously, but the workers in the machine shops are still standing idle: there is no one to

bring them the finished forgings--the plant has a chronic shortage of auxiliary workers and drivers for transportation equipment.

The forge workers themselves offered help in time of need. Though their own job is hard, they still have some time left.

But one thing followed another, and the issue of the instruction arose. According to the letter of the instruction, people are not entitled to combine their jobs in the forge, which afford certain pension benefits, with work to which those benefits do not extend. Amazing things have been happening for that reason: for 2 hours on each shift, while the workpieces are heating, the forge workers sit and smoke, while at the other end of the shop there rises smoke from the cigarettes of the workers of the machine shops, who are waiting for forgings.

In one shop, it does not matter which, two old friends work literally side by side. Except that the first is listed on the roster as a dry grinder, and the second a wet grinder. One of them happened to get sick. There was no one to replace him, and there was no end to the orders. His comrade offered his services to his plant: their machines were luckily side by side, and the job was familiar, and there were enough "little pauses" in his principal job. "No way," he was told, "it is better that you sit there, unless you want to give up your pension benefits." Once again that same instruction came in the way of a stewardly attitude toward work.

Neither of these situations was invented: they occurred in real places. The first was reported in his letter by V. Kal'yanov, a reader who is the chief engineer of the construction machinery plant in Saratov, and the second by N. Kondalov, a team leader of the Uralmash Production Association in Sverdlovsk. "Our collective, working with a smaller staff than had been planned, raised labor productivity 27 percent in the 10th Five-Year Plan," N. Kondalov writes. "We might have achieved even more if we had reduced work time losses to a minimum. But the regulation on pension benefits stands in the way. Even those workers who previously were willing to master related occupations do not want to take the risk now that they have reflected on the consequences.

Our newspaper has already written about such cases: an article by A. Makanin, team leader in the Belgorod Power Machinebuilding Plant, entitled "Smoke Break Charged to the Roster" (7 August 1981) dealt exactly with an instruction that has been in effect for many years and according to which a pension is awarded on general grounds if one of the jobs, occupations or salaried positions in a combination has been envisaged on Lists 1 and 2, while the other has not. A man's not being aware of the existence of this instruction does not save him from the inevitable: he still relinquishes the right to a pension at higher benefits. This is a rather frequent reason for complaints made to ministries, trade union authorities and newspaper editorial offices. Just imagine how a man feels when he hears the appeals to save work time, but he is unable to respond fully to those appeals--he will be penalized!

G. Gorelov, chief of the Administration for Organization of Work, Wages and Worker Personnel of Minergomash [Ministry of Power Machinebuilding], and

N. Morin, head of the division for production work and wages of the Central Committee of the Trade Union of Workers in Heavy Machinebuilding, also emphasize in their letters to the editors: the present procedure for determining pension benefits is actually holding back the movement for mastering related occupations, is hindering development of the work-team form of organization of work, and is thereby preventing reduction of work time losses. The instruction, they feel, must absolutely be revised. But repeated petitions to USSR Goskomtrud [State Committee for Labor and Social Problems] have so far brought no results.

The problem of instilling an attitude of thrift is an acute problem. Exhortations and admonitions are necessary, the authors feel, but it is also time to take more vigorous action so that people are actually able to be thrifty. We will illustrate by turning to a letter by P. Yevsegneyev of Volgodonsk.

He recently happened to be the witness of this incident. Nails scattered on the road punctured a tire of the "Ikarus." The driver immediately made the repair, and the passengers continued their trip. But the damaged tire was neither in the trunk, but by the side of the road. Nor was that the only one: over a short distance the author of the letter counted another dozen or so. At the end of the trip he said to the driver: "What are you doing, comrade, why are you throwing away what is still good?"

"Just see how many drivers are pouring used oil on the ground, how many old storage batteries they throw away!" said the driver, shocked in his own right. "It is practically impossible to sell all this. Much less tires...."

"This was uttered with pain and understanding that the people's property is going to waste because of someone's irresponsibility," P. Yevsegneyev writes. "I reflected for a long time after this talk with the driver. Is he to blame? It might be said so. You could brand him as much as you like. But will anything be changed thereafter? After all, as a matter of fact the whole problem is selling the old oil and old tires. No, I think we first need to create the conditions for thrift, to make wastefulness economically disadvantageous for the worker, for the enterprise and for the state."

The same opinion on this point is held by R. Zeynalov of Baku, G. Deshkina of Moscow, Yu. Ryazantsev of Petropavlovsk in Severo-Kazakhstanskaya Oblast, P. Rychkov of Novosibirsk and many other readers: "If the quotas were scientifically sound for every worker (how much material to consume, how much electric power to be used, and so on), then it would become possible to accurately record the resources expended, to award incentives for what has been saved and to invoke penalties for overconsumption. Only organizing things that way will bring a benefit."

It would be an error to suppose that appeals like this have been sent, as they say, into the desert. Much is being done in our industry toward greater care in the use of supplies, materials and fuel. This year state reporting has been introduced on the amount of resources saved, and the practice of awarding bonuses to those who are thrifty has improved. In the country today one ton of steel out of every three is smelted from collected metal scrap. Over the

past 5 years industry has processed about 11 million tons of scrap paper, about 3 million tons of textile materials. Recently secondary resources (for the first time in our experience!) have become a subject of centralized planning.

Our readers are right: the solutions and measures for economical economic performance which have already been found need to be implemented more vigorously, and new ways need to be sought out. Take those same tires. It has been proven long ago that it is extremely advantageous to recycle them; this is a valuable additional source of rubber. But USSR Minneftekhimprom [Ministry of Petroleum Refining and Petrochemical Industry] is not fulfilling assignments for activation of new plants for regeneration of rubber. The price is the weak point when it comes to secondary resources. It is not yet acting as an incentive to procure them and to manufacture products from them.

And finally, still another question touched upon by many readers. "How often we are inconsistent, one might even sincerely say blind, in our propaganda on thrift," writes N. Charushnikova of Gor'kiy. "The one-sided approach, like rust fungus, is eating away or altogether nullifying many appeals for thrift." M. Kleymenova of Moscow and L. Kalashnikov of Elektrostal' in Moscow Oblast have also written about this.

We must endeavor, they emphasize in their letters, for everything that surrounds a man in the workplace, at home, and on the street, to correspond as fully as possible to our ideas about reasonable needs and sensible use. If, for example, a worker at his machine is constantly reminded of the need to conserve electric power, while outside the shop gate the streetlights burn all day fighting with the sun, appeals for thrift will hardly have an effect.

Plant collectives and their party and trade union organizations are capable of doing a great deal here and now. "In our plant," M. Golubkov writes from Orekhovo-Zuyevo in Moscow Oblast, "the outside lighting is regulated with a photorelay, which automatically turns the lights on and off depending on the time of day. Recently there was an interesting conversation in all the trade union cells on a thrifty attitude toward bread. Results have been good in a competition for exemplary keeping of houses and apartments. After all, there is a considerable potential for conservation in the household. But a man is always left to himself in the shop, at home and on the street. And our final and main goal is for him to feel himself to be the master in everything and everywhere."

This approach which the readers are militating for would also seem to be the only correct one, since it presupposes a broad and comprehensive campaign against negligence, careless indifference and irresponsibility. Attention should also be paid to the measures which have been proposed. P. Yevsegneyev, whose letter I quoted, believes quite rightly that wastefulness in all its manifestations should be punishable in economic terms. Let us paraphrase what he says. Advantageous to the state, advantageous to the enterprise, and advantageous to the individual--this is really that point we are always seeking where the three lines of interest intersect.

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CONSUMER GOODS OUTPUT TO BE AUGMENTED THROUGH USE OF LOCAL RESOURCES

Kiev EKONOMIKA SOVETSKOY UKRAINY in Russian No 3, Mar 82 pp 88-90

[Article by L. Beletskaya, senior economist, UkSSR Ministry of Finance: "The Better Use of Local Raw Materials and Waste Products in the Manufacture of Consumer Goods"]

[Text] The supreme goal of party economic strategy is the constant elevation of the material and cultural standard of living of our people. The Basic Directions for the Economic and Social Development of the USSR During 1981-1985 and During the Period up to 1990 envisage the further social progress of society, a sweeping program for the enhancement of public well-being and the creation of the necessary conditions for the fuller satisfaction of the entire population's needs for a variety of high-quality food products, industrial commodities and cultural consumer goods. The Soviet people cannot have a high standard of living unless the population is provided with high-quality consumer goods. This is why the Communist Party regards the production of more goods for the public, the improvement of their quality and the expansion of their assortment as one of the most important objectives of the stage of developed socialism. Local industry will play an important role in its attainment because most of the products of this branch are consumer goods.

The 11th Five-Year Plan envisages a 1.4-fold increase in the manufacturing output of local industry with the maximum use of local raw materials and production waste. Now that the people of our country are trying to use crude resources more efficiently, the better use of local raw materials and waste products is particularly important.

The main types of local raw materials used at enterprises of local industry in the Ukraine are vegetable (that is, cane, reed, sorghum, willow and corn husks) and mineral (clay, anhydride rock and shell rock) resources. Enterprises use these local resources in the production of construction materials (gypsum, sheetrock, brick, ochre, quarrystone, chalk and lime), ceramic artifacts, cultural consumer goods and housewares.

The production waste used by our republic's local industry consists of waste metal, polymer materials, wood, capron and cardboard. These are used primarily in the manufacture of hardware and various cultural consumer goods and housewares.

The plan for the development of local industry in the Ukrainian SSR during the 10th Five-Year Plan envisaged the manufacture of 815 million rubles' worth of

products from local raw materials and production waste. The actual output for the 5 years was equivalent to 822 million rubles. These products accounted for 9.5 percent of the total output of local industry in 1980, including 22.8 percent in Kirovogradskaya Oblast, 20.2 percent in Zaporozhskaya, 7.1 percent in Rovenskaya and 4 percent in Ivano-Frankovskaya. The output of goods made of local raw materials and production waste was 18 percent greater in 1980 (than in 1976), with a 19-percent increase in the output of goods made of local raw materials and a 17-percent increase in items made of waste products. Each year the assortment of these items is renewed and expanded. During the years of the 10th Five-Year Plan the production of 1,085 items was mastered at enterprises of Ukrainian local industry, including 482 made of production waste and 604 made of local resources.

Nevertheless, branch enterprises are still not making the fullest possible use of their ability to supplement raw material resources by means of the more extensive use of local raw materials and production waste in the production process and to thereby increase the output of consumer goods. Several enterprises do not always complete assignments for the production of consumer goods from local raw materials and waste products, and some are even reducing this output. In 1980 alone the consumers in our republic failed to receive more than 10 million rubles' worth of such commodities. During the years of the 10th Five-Year Plan, enterprises in Voroshilovgradskaya Oblast reduced the output of products made of local raw materials by 41 percent, local industry enterprises in Khmel'nitskaya Oblast reduced it by 9 percent, enterprises in Krymskaya Oblast reduced it by 17 percent and enterprises in Khar'kovskaya Oblast cut it by more than half. The output of items made of production waste was reduced by half at enterprises of local industry in Donetskaya Oblast, and by 16 percent in Voroshilovgradskaya Oblast.

One way of expanding the production of consumer goods made of local raw materials and production waste will consist in planting highly productive types of cane and cultivating wild willow bushes. Some enterprises, however, are reducing the size of plots designated for willow cultivation. At the beginning of 1974 enterprises in Zakarpatskaya Oblast had 55 hectares of farmland, but in subsequent years this area was reduced by three-fifths and now amounts to 22 hectares. As a result of this, the assortment of items made of vegetable resources has not been expanded in the oblast, and the plan for their manufacture is frequently underfulfilled. For example, in 1978 the plan for the production of wicker baskets was fulfilled by only 71 percent by enterprises of the Zakarpatskaya Oblast Local Industry Administration, and in 1979 the figure fell to 60 percent.

Existing possibilities for a larger output of goods made of local vegetable resources are not being used sufficiently at enterprises of the Kiev Oblast Local Industry Administration either. In 1980, for example, the Brovary Production Wood Processing Association underfulfilled the plan by more than 120,000 paintbrushes, 160,000 baskets and trays and 4,000 wickered bottles. The output of all these items was reduced (in comparison to the 1978 output).

The shortage of willow reduced the proportion accounted for by items made of local raw materials at enterprises of the Chernigovskaya Oblast Local Industry Administration from 3 percent in 1976 to 2.5 percent in 1980. This was a result of the failure of local industry enterprises in Chernigovskaya Oblast to fulfill plans for the enlargement of willow plantations and the cultivation of wild willow.

In order to provide local industry with a guaranteed supply of vegetable resources, branch enterprises must establish permanent economic ties with agricultural organizations and conclude agreements with them on the procurement of vegetable resources for subsequent processing at branch enterprises.

An important reason for the slow development of the local vegetable resource base is the lack of adequate technical equipment for willow cultivation. The equipment developed and manufactured by the Ukrainian Technological Project Planning and Design Institute of Local Industry and the Republic Industrial Association of Mechanization Equipment is of faulty design and poor quality. The work to develop and incorporate willow felling and planting machinery has been going on for several years now, but significant flaws in their design prevent the use of these machines.

The level of mechanization is still too low in the production of items from local raw materials. At the Chernigov Experimental Wickerware Factory, 25 percent of the work is still performed manually. Manual labor accounts for the same percentage at the Repki Woodworking Plant in Chernigovskaya Oblast. At enterprises of the Kiev Oblast Local Industry Administration, only 10 percent of all the work involved in the production of wickerware has been mechanized. The situation is the same at a number of other branch enterprises.

The Ukrainian SSR has sizeable reserves for the expansion of the local raw material base: These include the clay deposits (for the production of ceramicware) in Pologovskiy Rayon in Zaporozhskaya Oblast and Lebedinskiy Rayon in Sumskaya Oblast, the clay mud (for paint production) in Zakarpatskaya Oblast and the anhydride rock (for the production of plaster, sheetrock and decorative paneling) in Ivano-Frankovskaya Oblast. These resources are still not being utilized, however, because enterprises lack the necessary resources for the development of the local raw material base, and no funds are envisaged for this purpose in the capital investment plans of the UkSSR Ministry of Local Industry.

Enterprises of local industry are still not making the fullest possible use of production waste either. In some cases enterprises of union and union-republic jurisdiction do not have the facilities to sort and store waste products and do not inform oblast planning agencies of the existence of these waste products. For example, of the 132 industrial enterprises (33 ministries and departments) located in Khar'kovskaya Oblast, only 32 have reported the existence of useable waste to oblast planning agencies.

The strict plans set for enterprises with regard to the surrender of waste metal to Ukrvtorchermet [UkSSR Administration for the Processing of Secondary Ferrous Metals] make the use of these by-products difficult on the local level. In 1979 the Prikarpat'ye Production Association in Kolomyya (Ivano-Frankovskaya Oblast) used 8,500 tons of ferrous rolled metals and derived 2,500 tons of waste. Only 900 tons were used in production and the rest was scrapped to fulfill the plan for the surrender of waste metal to Ukrvtorchermet. This waste could have been used in local production, however.

The absence of the necessary industrial waste recording and accounting systems in the republic has considerably complicated the use of waste products at local industry enterprises. To improve the use of these products, it would be expedient

to require industrial enterprises to make quarterly reports on the existence and disposition of useable waste and concentrate records on the formation and distribution of these resources in republic planning and supply agencies.

Possibilities for a larger output of goods made of production waste could be broadened by the centralized planning of production waste collection and processing.

The more efficient use of local raw materials and waste products is an important reserve in the expansion of the consumer goods output, and the maximum use of this reserve will provide the population of the Ukrainian SSR with a more complete supply of high-quality goods to fill daily needs.

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NON-FOOD INDUSTRIES URGED TO STOP USING VEGETABLE OILS

Careless Use of Edible Resources

Moscow IZVESTIYA in Russian 3 Feb 82 p 2

[Article by V. Romanyuk, economic correspondent: "Where Is All of the Vegetable Oil Going? The Improvident Practice of Wasting Edible Resources Must Be Stopped"]

[Text] Technical needs absorb thousands of tons of vegetable oil. In 1981, 700,000 tons of vegetable oil and 120,000 tons of dry starch were used for these purposes. The vegetable oil is used in the following manner: 400,000 tons in the manufacture of varnish, paint and enamel, 100,000 tons in drying oil, 90,000 tons in stearin and oleic acid and 15,000 tons in lubricants.

I.

It would not be much of an exaggeration to compare the hundreds of thousands of tons of vegetable oil used annually for technical purposes to a river of oil. Just the transport of this quantity of oil would require 175 full railroad trains, each a kilometer long. The river of oil is not receding. During the last five-year plan many branches did not reduce their expenditures of vegetable oil and actually increased them. Machine builders and the enterprises of the Moscow and Leningrad gorispolkoms used more oil in 1981 than in 1976; petrochemical workers exceeded the level of 5 years ago by 4,000 tons; the Ministry of Ferrous Metallurgy planned to use 2,100 tons more oil in 1981 than in 1976; and a similar increase of 300-600 tons was planned by the Ministries of Light Industry, Construction Materials Industry and Electrical Equipment Industry and the State Committee for Publishing Houses, Printing Plants and the Book Trade.

The situation with regard to starch is not much better. The amount used in 1981 for technical purposes exceeded the 1976 figure by 16,300 tons, and even this year, at a time when the shortage of resources has become acute, the level is still being exceeded by 8,600 tons. The USSR Ministry of Light Industry has used 2,900 more tons of starch in thread and fabric sizing and as a thickening agent for printing ink. The USSR Ministry of Finance and the Ministry of Timber, Pulp and Paper and Wood Processing Industry have used 3,700 more tons of starch in the manufacture of paper, wallpaper, paper bags and cardboard cartons. The Ministries of Geology, the Petroleum Industry and the Gas Industry are using 2,500 tons more starch for their

purposes; vehicle, machine tool and aircraft builders are now using twice as much starch in casting.

Why is this happening? After all, specialists could list not dozens, but hundreds of synthetic substitutes for the valuable edible resources, and these substitutes have been available for 10 or even 20 years. Why then have they still not replaced natural products in technical items? Quite frankly, because the thoughtless squandering of edible resources for technical needs has essentially been legitimized, is incorporated in hundreds of standards and technical specifications and there are no particular prohibitions or even restrictions in this area. It will not be easy to overcome the firmly established nonprogressive views on this matter.

"This is an urgent problem because the output of vegetable oil is decreasing but its expenditures on technical needs are increasing," said A. Lyapchenkov, head of USSR Gossnab's administration for equipment procurement and the efficient use of material and technical resources in the agroindustrial complex. "Chemists are complaining about delays in the completion of facilities for the production of substitutes and are demanding vegetable oil in addition to technical oil. Metallurgists complain that ore has become leaner and requires more natural oil for flotation. Finally, workers in the construction industry, who used a thousand tons of pure starch last year in the production of an insulation material called akmigran, have requested 2,600 tons for this year."

The logic of all this is simple and the argument is valid: Substitutes are either being produced in small quantities or are not being produced at all. The manufacturing process cannot stop just for this reason! We must say with respect to this that past experience and research indicate that it is completely realistic to hope for the complete replacement of edible resources with synthetic ones in the majority of items in the 11th Five-Year Plan and in all items in the 12th. Past five-year plans have provided the most tangible proof that nothing will be accomplished and the nonprogressive attitudes in administrative agencies will not be overcome until this kind of objective has been stipulated and firm deadlines for this kind of replacement have been set.

Let us consider the abovementioned standards. It is true that a ban on the use of vegetable oil could stop the manufacture of a particular item or have a dramatically negative effect on its quality in some cases. Nevertheless, some steps must be taken in this direction. However, when Senior Engineer N. Sidorina from the administration for the chemical and petrochemical industry of the USSR State Committee for Standards was asked about the conservation impact of standards with regard to the use of vegetable resources for technical purposes, she explained that state standards say nothing about this side of the matter. Amazing as it may seem, the standard stipulates operational qualities and, at best, the long-range properties of the product, but says nothing about formulas. Even if this kind of substitution is made, it is not reflected in the standard. It is true that the documents of comprehensive inspections express fond hopes with regard to the replacement of natural resources, but these statements are as far as the matter goes.

II.

In the last decade the quantity of vegetable oil used for technical purposes has doubled. Unjustifiably large quantities are used in the production of drying oil,

varnish and hydraulic brake fluid. It takes a ton of vegetable oil to make a ton of natural drying oil, and it takes 550 kilograms of the best vegetable oil to make a ton of "oxol" drying oil. Other types take 330 kilograms per ton, but their manufacture also requires glycerine, which is also in short supply, and the production of this type of oil-conserving drying oil has therefore been completely curtailed. Most varnishes are made from technical types of oil--linseed, castor and cottonseed--but procurements of the raw materials from which these oils are derived are decreasing and, for this reason, large quantities of edible vegetable oil--sunflower seed, soybean and mustard--are being used for these purposes.

Chemists and food industry workers insist that the vegetable oil used in the manufacture of drying oil has a high acid number. But this oil is made unsuitable for consumption as a result of mismanagement or the misuse of technology during the processing and storage of sunflower seeds. Consequently, there is no reason to suggest that this is a conservation measure.

Edible resources are being "gobbled up" in the production of stearin (1,300 kilograms of oil per ton of product) and the "b" brand of oleic acid (1,100 kilograms of oil of the highest quality per ton). Furthermore, due to the permissiveness of standards, these items have dragged this valuable food product into the most diverse spheres of production and it will not be easy to remove this kind of product from various spheres without causing technological disruptions. Petrochemists use oil in the production of latex, sponges, turbine oil, lubricants and additives; chemists use it in the production of synthetic fibers, resins, fiberglass, polyvinyl chloride film and textile accessory materials; further along the chain, textile workers use it to soak blends, size thread, reinforce canvas and lubricate abrasive cloth. For some reason, electrical engineers cannot get along without food resources in the production of copper wire and in wire-drawing. Vehicle builders use oil in precision casting and pressing operations, furniture makers use it in the production of wood-particle board and the construction industry uses it in porcelaneous insulation. Vegetable oil is also used in the manufacture of aluminum and cupronickel cooking utensils, home radioelectronics, medical instruments and many other items.

It is not surprising that the situation with regard to the "shortage" of stearin and oleic acid is growing worse instead of better: Each branch is demanding its "own share" without giving any particular thought to substitutes. But around 10 synthetic materials have been developed just as substitutes for oleic acid. Some of the resources being used only in insignificant quantities are chemical bottoms, the liquid rosin that is a waste product of wood processing, and sodium salts. During the last 5 years the output of synthetic substitutes for vegetable oil increased from 29,100 to 58,300 tons. On the whole, however, the quantity of oil used in the manufacture of paint and varnish decreased only slightly and still exceeds 200,000 tons a year. Soyuzkraska [All-Union Association of the Paint and Varnish Industry] alone uses 175,000 tons of vegetable oil each year. But what about the substitutes?

"Each year we use 40,000 tons of substitutes," said Soyuzkraska chief technologist L. Kosenko. "These are petropolymer resins, low-molecular rubber and chloroparaffin. For example, just recently the waste products of caprolactam were burned as fuel. Now around 6,000 tons are used in the production of rosin instead of vegetable oil. In general, we have many formulas which do not call for vegetable oil, but facilities

for the production of substitutes are being established too slowly, and the present five-year plan schedules their completion for 1984 or 1985."

No oil at all is required in the manufacture of the water-soluble paints that are used for indoor decorating and constitute the basis of the paint market. But their annual output is only 100,000 tons (of the total 1.7 million tons of paint and varnish). Why so little? Lidiya Alekseyevna shrugs her shoulders: All of the ingredients are in short supply. Soyuzkhimplast is not producing enough polyvinyl acetate emulsion, the Ministry of Mineral Fertilizer Production is not furnishing enough of the necessary components and the Ministry of the Construction Materials Industry has not been supplying enough extenders (talc and kaolin). This is why a promising field of production is at a standstill. The annual output of oil paints, on the other hand, including pigment paste, is 400,000 tons. There has been no reduction in the output of drying oils, varnish and automobile enamel, which are one-third vegetable oil.

Proportional expenditures of vegetable oil are now 90.5 kilograms per ton of paint and varnish in the chemical industry, 194.5 kilograms per ton of product in local industry and 566.5 kilograms per ton of product in the food industry, which produces most of the drying oils. To be fair, we must say that proportional expenditures of oil in the chemical industry have decreased by around one-fourth since 1975. In the United States, however, the manufacture of a ton of paint or varnish requires less than 50 kilograms of vegetable oil, and expenditure norms are also lower in many other countries. As for the enterprises of local industry, which also produce paint and varnish, there is no control over the wasteful use of this food resource here.

III.

Soyuzkhlor, Soyuzkhimplast and Soyuzazot have still not taken the necessary measures to develop the production of oil substitutes for the paint and varnish industry. For example, substitutes for oleic acid made from vegetable oil are used only in small quantities. The production of industrial rubber items and lubricants takes 30,000 tons of oleic acid a year. But what about the substitutes? There are none, Deputy Minister A. Lukashov of the Oil Refining and Petrochemical Industry reported in a letter to USSR Gosplan, "due to the absence of development projects." But these projects have been conducted.

According to calculations, up to 10,000 tons of synthetic fatty acids could be used instead of vegetable oil in automobile enamel and the intermediate products of the paint and varnish industry. But petrochemists have not only failed to increase their deliveries, but have even decreased them in the last few years.

Dozens of formulas proposed by scientists in various fields have suggested the possibility of the extensive use of wood chemical, chemical and petrochemical waste products as substitutes for the edible resource. The previously mentioned petropolymer resins could reduce the vegetable oil content of many products by 40-50 percent, and the liquid rosin acid (cellulose production waste) could replace oil completely. There is certainly more than enough raw material for the derivation of resins. The by-products of pyrolysis in the chemical and petrochemical industries are now mainly burned as inferior fuel, but each ton of this raw material

could produce 150 kilograms of pure polymer resin. It is not difficult to calculate existing potential if we consider that 2.5 million tons of this raw material were accumulated in 1980 and future accumulations could reach 9 million tons.

At a number of enterprises the use of petropolymer resins considerably reduced the quantity of vegetable oil used, but only at first. Petrochemists did not bother to develop the production of resins to any considerable degree, although many enterprises had this potential and, furthermore, this would not have required large capital investments. After failing to receive sufficient quantities of resins and other substitutes, the enterprises producing paint, varnish and drying oil went back to using vegetable oil. This situation is made all the more disturbing by the fact that the existing raw material is simply being burned for fuel.

IV.

Food industry workers are justifiably requesting larger shipments of synthetic fatty acids for soap production, as this would save tens of thousands of tons of vegetable oil a year. Chemists have their own rationale: The use of a ton of synthetic fatty acids in the production of synthetic detergents produces four times the washing impact than the use of these acids in household soap. The development of synthetic detergent production, the output of which will total 1.5 million tons a year by the end of the five-year plan, will certainly reduce soap consumption and produce a more significant savings. Scientists have proposed another alternative. The production of detergent bars was recently mastered at an experimental facility of the All-Union Scientific Research Institute of Surfactants in Shchebekino. Their cleansing impact is much greater than that of ordinary soap, but the main thing is that all of their ingredients are synthetic. The manufacture of a ton of toilet soap requires 600 kilograms of natural fats. Petrochemists could derive the necessary spirits of benzene from cottonseed oil waste products. Around 20,000-30,000 tons of these unused waste products could be collected in the nation. Thousands of people who repair agricultural machinery, who handle carbon black and who work in several fields of chemistry have to wash their hands with benzene or soda, which have an eroding effect on skin. The new detergent not only washes hands better than these other agents but is also a skin-softener. Another of its merits is that it lathers well in salt water.

Chief Specialist F. Maznyak of USSR Gosplan's food industry department showed me two bars of scented soap--a blue one and an opaque one. The wrapper of one noted its softening effect when used for bathing and shampoos, and the second was labeled an all-purpose laundering and cleansing agent for various types of fabric.

"I used up one bar at home," said Fedor Ivanovich, "and I must say that it is an excellent soap. It is no worse than the product offered by a famous Italian firm."

"Less than half of the waste products of the oil and fat industry are used in the production of soap," K. Borisov, the head of the department in charge of rating materials and resources for technical use of the USSR Ministry of the Food Industry, said, continuing the conversation. "The remainder cannot be processed. We store as much as we can but much of the waste is lost. We are losing large quantities of resources because state standards do not specify the acid content of oils or the starch content of potatoes. The Ministry of Agriculture and the Ministry of

Procurement want good gross indicators and are not interested in final results. The emphasis is on yield, and not on the technological properties of the strain, but for us the latter is precisely what is most important."

V.

Many readers might be wondering why it is so difficult to buy a package of ordinary starch. After all, this product is not in the least complex and there would seem to be an ample supply of the raw material--"the second bread." Here are the statistics: Each year food production absorbs 100,000 tons of starch, light industry uses 42,000 tons for fabric sizing, 36,100 tons are used in the production of dichstrine, 9,500 tons are used in the paper industry, 7,500 tons are used in household chemicals and in the starching of linens, 6,000 tons are used in the production of fused electrodes, 2,600 tons are used in metal casting and 8,300 tons are used in drilling. The typical attitude of administrators is such that any proposals regarding substitutions usually evoke resistance and anger.

This year 78,000 tons of starch had to be imported to satisfy the demands of the national economy. Furthermore, technical needs are obviously given priority in the overall use of starch. Tens of thousands of tons are used each year for sizing. This layer of starch is then rinsed off and discarded in the final stage of weaving. The proportional use of substitutes--synthetic polyvinyl acetate sizing and other polymer materials--is equivalent to only 1.9 percent! What is more, these substitutes are being incorporated too slowly. One reason is that the main component of the substitutes--polyvinyl alcohol--costs six times as much starch. But can the impact of new developments be assessed only from this standpoint? Of course not.

Of all the branches using starch, only the Ministries of the Food Industry, the Meat and Dairy Industry and the Fish Industry are using less--in the packaging of products and in cigarette rolling. The Scien ific Production Association of Starch and Syrup Products of the USSR Ministry of the Food Industry has investigated the possibility of using less starch for technical purposes. It is experimenting with the use of by-products--pulp and hull--in the production of substitutes. An experimental line has been set up at the Borisoglebsk Starch Plant for an extrusion starch reagent which could immediately replace 360 tons of starch, with the figure going up to 9,000 tons a year by the end of the five-year plan. But replacement needs will still be far from satisfied.

In recent years various projects, plans and statements by the heads of agencies responsible for this matter have contained ample indications of the determination to put an end to the use of edible resources for technical needs. The draft program for the substitution of chemical products for natural foodstuffs in just the production of paint and varnish calls for the replacement of 150,000 tons of vegetable oil; another 100,000 tons should be made available by the development of synthetic detergent production. The purposeful introduction of low-molecular rubber into paint and varnish formulas would replace 80-100 or more kilograms of vegetable oil per ton of varnish and 200 kilograms per ton of drying oil. It has been confirmed numerous times that the Ministry of Oil Refining and Petrochemical Industry could augment capacities for the production of petropolymer resins of the "piroplast-2" type, which is a perfect substitute for vegetable oil, that the Ministry of the Food Industry could enlarge capacities for the further processing

and breakdown of the waste products of the oil and fat industry and for the distillation and hydrogenation of fatty acids, and that the Ministry of Light Industry and Ministry of Nonferrous Metallurgy could work with chemists and petrochemists to speed up the development and incorporation of synthetic and less scarce substitutes for stearin and oleic acids in order to completely stop the technical use of these products, which require so much vegetable oil for their manufacture.

But edible resources are still being squandered to the detriment of the population's dietary needs. This applies to more than just sunflower seed oil and edible starch. Absolutely no consideration is given to expenditures of table salt, although constantly increasing quantities are being used in the production of chlorine and caustic soda. It has reached the point where salt is sometimes in short supply in the trade network in some oblasts or has to be transported thousands of kilometers--to Siberia, for example. But after all, this kind of salt can be replaced completely with potassium production waste, and there is certainly no shortage of this. By the same token, there is absolutely no need to use edible sugar in the production of oxalic acid because ethylene glycol has long been recognized as an equivalent substitute for it. It is also abnormal to use food alcohol in the production of tin cans and food bones in the production of casein glue.

Under present conditions, it would probably be much better to import various types of synthetic varnish and enamel and technical raw material than to pay three times as much in the international market for vegetable oil and starch and then use these food resources in various fields of industrial production.

Everything that is created in the agroindustrial complex, everything that is grown in the fields and on plantations, must be used only for the satisfaction of public demand for foodstuffs. Any other use of edible resources is unacceptable!

Response to Criticism

Moscow IZVESTIYA in Russian 23 Mar 82 p 3

[Article: "The Power of IZVESTIYA"]

> [Text] "Where Is All of the Vegetable Oil Going?"--This was the title of an article in which the sometimes improvident use of food resources for technical purposes was discussed. Acting on the orders of the USSR Council of Ministers, USSR Gosplan conducted a further investigation, with a view to the facts cited in the article, of the possibility of using less food resources in the manufacture of technical products and drafted the appropriate proposals.

The problems raised in the article (No 33/34) are of national economic significance. It raised pertinent questions about the possibility of reducing or completely curtailing the use of edible resources for non-food purposes and correctly directed attention toward existing substitutes for edible resources and toward the expediency of their maximum use. This was the opinion of the authors of all 18 official replies received by the editors.

As USSR Gosplan reports, the USSR Council of Ministers responded to the IZVESTIYA article by ordering Gosplan to look further into the possibility of using less edible resources for technical purposes. Carrying out this order, USSR Gosplan drafted the appropriate proposals with the aid of concerned ministries and departments and submitted them to the USSR Council of Ministers. They list assignments for several ministries and departments in regard to the incorporation of facilities between 1982 and 1985 for the production of distilled tallol and its fatty acids, petropolymer resins, synthetic fatty acids and other substitutes, the delivery of these substitutes to consumers and the use of these substitutes in the manufacturing process.

The quantity of vegetable oil used in the manufacture of paint and varnish is to be reduced by means of an increase in the output of water-emulsion paints at enterprises of the Ministry of the Chemical Industry to 150,000 tons in 1985, as compared to the 106,000 tons produced in 1980. The proposals also stipulate that the USSR ministries of the chemical and petrochemical industries should be ordered to speed up the development and incorporation of the industrial technology for the production of new substitutes for edible resources. If all of these measures are carried out, around 200,000 tons of vegetable oil substitutes and 40,000 tons of starch substitutes can be used in the manufacture of technical products in 1985. The possibility of using sugar and casein for technical purposes will be completely excluded in the future.

The steps that are being taken to reduce the quantity of edible resources used for technical purposes are discussed in an official report of the USSR State Committee for Science and Technology. In particular, it notes that these steps are being taken to reduce the use of edible starch, salt and sugar for technical purposes, as well as vegetable oil.

After examining the article, the USSR Ministry of Agriculture noted that it was particularly pertinent because the possibilities for the production of edible resources, as its letter to the editors stressed, are far from unlimited and these resources must be used for their direct purpose. The letter told of the measures being taken to increase the national output and purchases of sunflower seeds, soybeans, rape and other oil-bearing crops and to improve their quality in line with the corresponding decree of the CPSU Central Committee and USSR Council of Ministers.

Specific measures, intended to considerably reduce expenditures of edible resources for technical purposes and speed up the transition to the use of synthetic substitutes, were also reported to the editors by USSR Gossnab, the USSR Ministry of Light Industry, Ministry of Nonferrous Metallurgy, Ministry of the Food Industry, Ministry of the Machine Tool and Tool Building Industry, Ministry of Mineral Fertilizer Production and Ministry of Petroleum Refining and the Petrochemical Industry, the Belorussian SSR Council of Ministers, the Uzbek SSR Council of Ministers, the Moldavian SSR Council of Ministers, the Kazakh SSR Gosplan, the Ukrainian SSR Ministry of Local Industry and the All-Union Association of the Paint and Varnish Industry (Soyuzkraska).

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PRICING IN FOOD INDUSTRY TO BE COORDINATED WITH NET INCOME REQUIREMENTS

Moscow FINANSY SSSR in Russian No 4, Apr 82 pp 35-39

[Article by L. A. Grushetskiy, candidate of economic sciences: "The Pricing Mechanism in the Fulfillment of the Food Program"]

[Text] The fulfillment of the food program is the most important of the objectives set at the 26th CPSU Congress for the enhancement of public well-being in the next decade.

The food program will be carried out through the development of the food complex, which accounts for three-fourths of the gross product of the agroindustrial complex. This program takes in questions connected with the development of agriculture and the branches of industry serving it, the food industry and all production units connected with the procurement, storage, shipment and processing of agricultural products and the food trade. It envisages unified planning and financing, the balanced development of branches of the agroindustrial complex, the improvement of the economic ties between branches and their interaction in the growing field of agricultural production and the better preservation, shipment, processing and sale of agricultural products. Congress materials speak of the need to "ensure the efficient management of the unified food complex by improving the system of plan indicators and financial incentives. The production, storage, processing, shipment and sale of agricultural products must be managed in such a way that workers in each of these areas will have an incentive to supply the consumer with products of high quality."

The improvement of the economic mechanism of the agroindustrial complex, along with other matters, will include the better planning of the prices of means of production turned over to agriculture, energy rates, service fees and the prices of agricultural products during all stages of their production and their progression from the field to the store counter. All types of prices and rates should be economically balanced and should ensure the efficient management of the food complex through the reinforcement, in all economically accountable links, of mutual economic interest and responsibility for the fulfillment of plan assignments. This can be accomplished if the wholesale prices of the means of production, purchase prices, wholesale prices in the processing industry and the retail prices of consumer goods are determined according to a single set of methods, and pricing factors (overhead costs and accumulation) are calculated according to a single set of principles.

Different price lists are still being drawn up for different branches of production. Each department sets prices with a view to the interests of its own branch.

As speakers noted at the July (1978) CPSU Central Committee Plenum, there was a tendency in the 1970's toward uncoordinated changes in the prices of industrial commodities and agricultural products. This considerably lowered the level of profitability on kolkhozes and sovkhozes. The rise in overhead costs and the drop in profitability were "promoted" to a considerable extent by incomplete deliveries of industrial commodities, which could not augment the operational efficiency of consumers, and the rise in wholesale prices. Analysis indicates that almost the entire increase in overhead costs in agriculture is due to higher material resource requirements and the price factor, although two price lists were used for industrial products.

Agriculture had to make large additional expenditures to pay for the services of enterprises of USSR Goskomsel'khoztekhnika [State Committee for the Supply of Production Equipment for Agriculture] and other organizations serving kolkhozes and sovkhozes, and as a result of the rising cost of rural construction.

The fulfillment of the comprehensive food program will certainly necessitate a fundamentally new approach to pricing in the agroindustrial complex and the comprehensive coordination of all prices within its branches to provide the necessary economic conditions for their interrelated operation on a self-funding basis. The entire system of prices in the agroindustrial complex requires overall analysis and planning, all the way up to retail prices.

One of the measures taken to improve the economic mechanism consisted in the introduction of new wholesale prices in 1982 for fuel, energy and material resources. This will necessitate the adjustment of all wholesale prices and rates and all estimated prices.

As we know, the wholesale price of the industrial enterprise is supposed to compensate for day-to-day production costs and guarantee the enterprise a standard profit, measured in relation to fixed and working capital in the branch. Industry wholesale prices also include the overhead costs and profits of supply and sales organizations. Although the general pricing theory has not changed, several new and fundamental premises have been introduced into wholesale price planning:* The cost of geological prospecting and of social insurance for workers and employees must be reflected more fully in prices; the stimulating role of price markups and discounts must be enhanced; the practice of determining profitability as the ratio of profits to overhead costs, excluding the cost of crude resources, other materials and components, must be instituted on a broader scale; prices and rates should reflect overhead cost reduction assignments; the net product normative must be calculated.

The rise in the wholesale prices and rates of heat and electricity does not affect the system of purchase prices and the retail prices of food products.

The present method of compensating for losses in agriculture came into being in 1967 in connection with the rise in the wholesale prices of industrial products.

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* KOMMUNIST, 1980, No 8, p 52.

In order to maintain the profitability level of kolkhozes and sovkhozes, USSR Goskomsel'khoztekhnika began to set higher prices on industrial products and cover the difference between prices with budget funds. This is how the system of state subsidies using two price lists came into being. Besides this, electric energy was supplied to agriculture at a lower rate--1 kopeck per kilowatt-hour. Total budget-funded compensations for the sale of equipment, mineral fertilizers, fuel, electricity and other resources to agriculture at preferential rates exceed 6 billion rubles a year. These expenditures will be even higher during the 11th Five-Year Plan due to another rise in wholesale prices and rates and the larger deliveries of industrial products to agriculture.

To keep these new wholesale prices from harming the interests of agriculture, its transactions with industry must be regulated with a view to the broader product list.

Decree No 695 of the CPSU Central Committee and USSR Council of Ministers envisages measures to heighten the impact of economic levers and stimuli to enhance production efficiency in the national economy. The implementation of these measures should promote the balanced development of agriculture and industry, the balanced exchange of commodities between these two sectors, the reinforcement of economic independence, the validation of production expenditures, the correct determination of production efficiency and the conservation of resources.

In light of these requirements, the system using two price lists suffers from significant defects. Agriculture is isolated from the objective processes that are increasing overhead costs in the extractive and processing branches. In spite of the principles of the food program, economic relations between the two most important branches of the national economy are no' close enough, and this is diminishing the economic mechanism's effect on production efficiency and on final results. An invalid information base is being established for the calculation of the production costs and prices of agricultural products.

The improvement of economic relations between industry and agriculture, it seems to us, should exclude, as far as possible, factors distorting the actual value of the products of both branches by instituting a single pricing methodology in all branches of the agroindustrial complex.

A precedent was set for this when the system of two price lists for combination feeds was abolished and agriculture was compensated for the rise in wholesale prices by a rise in the purchase price of milk. When subsidies are abolished and purchase prices are adjusted, it is expedient to introduce an economic indicator that will guarantee the monitoring of the stability of price relations between industrial and agricultural products with the aid of a price equilibrium index.

The second sphere of pricing is the central link of the agroindustrial complex--agriculture. Planned purchase prices represent an important way of stimulating sales of agricultural products to the state and regulating expanded reproduction on kolkhozes and sovkhozes. There have been great changes in agricultural pricing in recent years. The overall price index rose 1.7-fold in 15 years, pricing methods became more varied and began to stimulate product quality improvements. All of this has created more favorable conditions for reproduction on kolkhozes and sovkhozes, has aided in the resolution of rural social problems and will ultimately promote the growth of the gross agricultural product.

Agricultural specialization and concentration are leading to more pronounced social division of labor and require the better use of commodity and monetary relations to reinforce the planned management of agriculture.

Several measures were taken in recent years for the further development of agricultural production. Average purchase prices in the nation rose by the following amounts on 1 January 1979: 14 percent for milk and dairy products, 11 percent for sheep and goats, 18 percent for wool, 35 percent for karakul and astrakhan skins, and 9 percent for cucumbers, tomatoes, onions and garlic, without any change in the retail prices of these products. The purchase prices of milk, cream, sheep, goats and potatoes varied from one union republic to another depending on natural and economic conditions.

The pricing of agricultural products will be marked by new and important features during the 11th Five-Year Plan. Purchase prices will include markups for above-plan sales for the purpose of maintaining the present average level of state expenditures on agricultural products from 1981 and in connection with the establishment of unified state procurement plans. Now farms will receive a surcharge equivalent to 50 percent of the purchase price for all of the major farming and animal husbandry products they sell to the state over and above the average figures for the 10th Five-Year Plan. This could be an extremely effective way of strengthening the economy of farms with average or little potential. The impact of these new purchase prices will also be considerably enhanced by their inclusion in the complex of measures to strengthen the economic and financial status of kolkhozes and sovkhozes.

The improvement of the purchase prices of agricultural products is far from complete, however. During the present stage of agricultural development, this work must be performed with a view to an entire group of requirements: the maximum coordination of purchase price planning with the methodological basis of pricing in the national economy; the provision of each branch of agriculture with the profits needed for expanded reproduction and the resolution of socioeconomic problems in rural areas; stronger economic ties between agriculture and other branches of the agroindustrial complex; the guaranteed self-funding of kolkhozes, sovkhozes, agrarian associations and enterprises; the improvement of the quality of agricultural products, the preservation of products and the reduction of overhead costs; the fuller reflection of production expenditures in overhead costs; the creation of the necessary economic conditions for the specialization and concentration of agricultural production by means of interfarm cooperation and agroindustrial integration; the use of the pricing mechanism to equalize the incomes of large agricultural regions and of farms operating under different natural and economic conditions within these regions; the use of a single purchase price structure and set of pricing methods in other branches of the agroindustrial complex.

There is now an objective need to equalize pricing methods in agriculture and industry and to strive for the precise coordination of pricing in all branches of the agroindustrial complex. In this connection, scientifically sound purchase prices are the most important economic instrument for the successful implementation of the food program.

The resolution of this complex problem will be complicated by flaws in methods of calculating purchase price levels. The improvement of prices has generally been a

selective process, resulting from the need to offer financial incentives for the production of a particular commodity. Profits have been calculated in relation to overhead costs without any measurement of the labor and capital requirements of production and the speed of monetary circulation and without any consideration for the various elements of prices. There is no single, comprehensive approach to the planning of the entire system of purchase prices. This is the only possible reason for the unjustifiable variety of profitability levels and diversity of production advantages.

We believe that net income should be substantiated in the purchase price with a view to two important factors. The first is the need to develop economic independence on the basis of five-year-plan assignments and long-range economic normatives that guarantee the farm a better return on better results. The second is the development of economic initiative and the expansion of enterprise rights by means of economic incentive funds formed according to stable normatives.

The obvious conclusion of all this is that stable profit normatives should be planned for in prices so that funds can be accumulated in quantities that will guarantee the development of economically self-sufficient kolkhozes and sovkhozes. It would be expedient to establish stable profit normatives for all elements, in line with their significance in expanded reproduction.

In our opinion, purchase price planning should guarantee agriculture and each of its branches a normative net income. This will necessitate the substantiation of the total normative net income for agriculture, within the limits of which normative net income can be established in specific purchase prices with a view to the labor and capital requirements of production and the need to accumulate reserve funds. Total net income should create the necessary conditions for expanded reproduction in agriculture at the rate envisaged for the 11th Five-Year Plan. This is the first stage in price planning. The second consists in the establishment of economically substantiated net income in specific prices. The proposed pricing methodology is based on the theory of the value of labor and K. Marx' premise that "the price of the individual commodity is the product of the total commodity price divided by the total number of commodities. In other words, it is the total price divided by the total number of products, measured in various ways, according to the use value of the product."* This kind of agricultural pricing methodology will be closer to the pricing methodology in the other branches of the national economy.

The proposed method of calculating the normatives of the net income and profitability required for expanded reproduction should ensure the correspondence of net income to planned rates of agricultural development. When these normatives are calculated, the peculiarities of production on sovkhozes (1) and kolkhozes (2) are taken into account, as well as the composition of net income. Profitability is calculated in relation to commercial overhead costs:

$$P_H = \frac{(П_ф + H_1 + H_2 + P_ф + Y + P\Phi + \Phi_{МН} + \Phi_{СКМ}) \cdot 100}{C_{ТП}} \qquad (1)$$

$$P_H = \frac{(ПН + H_1 + H_2 + \Phi_{СМ} + \Phi_{МП} + P\Phi) \cdot 100}{C_{ТП}} \qquad (2)$$

* K. Marx and F. Engels, "Works," vol 49, p 27.

Where P_H stands for normative profitability; P_Φ stands for budget deposits for fixed productive capital; H_1 stands for accumulations for fixed productive capital increment; H_2 stands for accumulations for working capital increment; $P\Phi$ stands for reserve fund; Y stands for losses incurred in housing and utility sector; $\Phi_{M\Pi}$ stands for financial incentive fund; Φ_{CKM} stands for fund for sociocultural measures and housing construction; $C_{T\Pi}$ stands for agricultural overhead costs; ПН stands for income tax; Φ_{CM} stands for fund for cultural and consumer needs, social security and financial aid to kolkhoz members; $\Phi_{M\Pi}$ stands for financial incentive fund for kolkhoz members and specialists.

Each element of net income corresponds to a specific rate of farm development. Net income for payments for capital is calculated as 1 percent of its total value. The calculation of the elements of net income is followed by the recalculation of the total net income and profitability of agriculture, in line with the planned average annual rate of gross agricultural production growth.

The following basic principles should be taken as a guide during the second stage of purchase price planning:

Net income, within the limits of the total normative net income for agriculture, must be calculated in the pricing process simultaneously with the compilation of the national economic plan in the following structural composition:

$$Ц = C + M = C + (M_1 + M_2 + M_3 + M_4) \qquad (3)$$

Where Ц stands for the purchase price; C stands for overhead costs; M stands for net income in the price. In the breakdown, M_1 stands for funds for expanded reproduction (accumulations); M_2 stands for funds for material incentives and sociocultural measures; M_3 stands for reserve funds; M_4 stands for deposits into centralized state income;

Overhead costs on kolkhozes and sovkhozes must be averaged over a number of years and adjusted in line with reduced production reserves on sovkhozes, progressive labor norms and the corresponding equalization of wage levels for all categories of farms and production zones, excluding elements of net income from overhead costs;

Purchase prices must be set according to a formula measuring all socially necessary expenditures on expanded reproduction and the provision of workers with financial incentives:

$$Ц = (C + M) = C + \frac{(\Phi_{OCH}+\Phi_{O\text{б}})\cdot K_1^I + З\cdot K_2 + C_H\cdot K_3 + \Phi_O\cdot K_4}{T} \pm H \qquad (4)$$

Where Ц stands for the purchase price; C stands for overhead costs; M stands for net income in the price; Φ_{OCH} stands for fixed productive capital; Φ_O stands for fixed assets (excluding livestock and perennial crops); $\Phi_{O\text{б}}$ stands for working productive capital; K_1^I stands for coefficient of net income for productive capital increment; З stands for wage fund; K_2 stands for coefficient of net income for the provision of workers with incentives and the institution of sociocultural measures; C_H stands for production expenditures; K_3 stands for coefficient of net income for

the accumulation of reserve funds; K_4 stands for coefficient of net income for payments for capital; T stands for product procurement plan; H stands for price markup or discount, depending on product quality.

This model means that the purchase price of a specific product can be set according to existing statistical records. Its methodological bases take the following into account: day-to-day expenditures and initial investments, providing a fuller reflection of the socially necessary expenditures of labor on the production of goods; the stimulation of the use of all production factors; the systemic approach to the substantiation of purchase prices.

The following method is used to determine coefficients for the price formula. The coefficient of net income used for accumulations K_1 is the relationship of the accumulated portion of total net income M_1 to productive capital:

$$K_1 = \frac{M_1}{\Phi_{OCH} + \Phi_{OБ}} \qquad (5)$$

It is adjusted in line with the planned rates of production and the turnover rate of productive capital and is introduced into the price formula as the symbol K_1^I.

The coefficient of net income intended for financial incentives and sociocultural measures K_2 is measured as the relationship between the portion of total net income designated for this purpose M_2 and the wage fund on kolkhozes or sovkhozes:

$$K_2 = \frac{M_2}{\Phi_3} \qquad (6)$$

In our opinion, normative indicators of overhead costs and net income should be adjusted in line with the effects of climatic conditions. As speakers pointed out at the November (1981) CPSU Central Committee Plenum, the weather in our country is unfavorable for agriculture almost every other year. This is customary and natural for our climate. This means that the effect of climatic conditions on expenditures and the composition of net income must be reflected more fully in prices for separate parts of the country and specific types of products. This is why overhead costs are averaged over a number of years and why there are total and specific net income elements in prices.

The portion of total net income used for the creation of reserve funds M_3 can be expressed in the following way in accordance with the structure of its actual use:

$$M_3 = M_{3p} + M_{3ж} + M_{3H} \qquad (7)$$

The coefficient for the calculation of the net income used to insure farming products K_{3p} is calculated as the relationship of net income used to insure farming products M_{3p} to farming production expenditures $З_p$; the coefficient of net income for the formation of insurance funds in farming $K_{3ж}$ is the relationship of net income used to insure livestock $M_{3ж}$ to the balance value of the livestock $C_{СК}$:

$$K_{3p} = \frac{M_{3p}}{З_p} \qquad (8)$$

$$K_{3к} = \frac{M_{3к}}{C_{СК}} \qquad (9)$$

The coefficient used for the calculation of net income intended to replace property $K_{3Н}$ is the relationship of the net income used for this purpose $M_{3Н}$ to the balance value of productive capital:

$$K_{3Н} = \frac{M_{3Н}}{\Phi_{ОСН} + \Phi_{ОБ}} \qquad (10)$$

The coefficient used to determine budget deposits K_4 is the relationship of the part of the total net income deposited in the budget M_4 to the value of fixed agricultural productive capital excluding livestock and perennial crops ($\Phi_о$):

$$K_4 = \frac{M_4}{\Phi_о} \qquad (11)$$

These pricing methods are based on the assumption that all purchase prices will be planned simultaneously because the level and structure of net income in the price are established in line with the normative total net income of agriculture.

The planning of purchase prices according to this method will help to establish profitability normatives for different products according to the conditions of reproduction in the branch. For this reason, the fluctuation of normative profitability in scientifically substantiated prices is completely possible.

Scientifically substantiated purchase prices are an important economic instrument for the fulfillment of the food program. The establishment of the necessary conditions for expanded reproduction in the central link of the agroindustrial complex, agriculture, will depend on them.

We feel that the further improvement of pricing in the agroindustrial complex should aid in the gradual coordination of scientifically substantiated purchase prices in agriculture with wholesale prices in the procurement system and the processing industry and during the stage of the final sale of products. The production, processing and sale of food products under the new conditions of economic management should ensure self-funded expanded reproduction in all links of the agroindustrial complex.

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NEW TERMS OF PERSONAL PROPERTY INSURANCE EXPLAINED

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[Article by T. I. Ver'kina, expert from the USSR Main Administration for State Insurance: "The New Terms of Compulsory State Insurance for the Property of Citizens"]

[Text] State compulsory insurance for the property (buildings and livestock) of citizens is now governed by the terms envisaged in the USSR law of 4 April 1940 "On Compulsory Property Insurance."

Since that time, some provisions of the law have become obsolete and do not meet present requirements. For example, there are disparities between the actual value of insured buildings and the amount of insurance coverage, insurance premium rates in a number of union republics do not correspond to levels of indemnity, and the list of grounds for the disallowance of insurance claims should be shorter, particularly in the case of livestock insurance.

In accordance with Decree No 229 of the CPSU Central Committee, USSR Supreme Soviet Presidium and USSR Council of Ministers on "Questions Connected with the Law Code of the USSR" and in the interest of further improvement in state insurance legislation, the USSR Main Administration for State Insurance and the USSR Ministry of Justice have drafted new terms for state compulsory personal property insurance.

These terms were drafted with a view to the provisions of the new Constitution of the USSR and were approved by the union republic councils of ministers and concerned ministries, state committees and departments of the USSR. They envisage the standardization of existing legislation and they provide new solutions to a number of problems connected with state compulsory insurance coverage of buildings and livestock owned by citizens.

On 2 October 1981 the USSR Supreme Soviet Presidium published an ukase "On State Compulsory Insurance Coverage of Property Owned by Citizens." On the same date the USSR Council of Ministers adopted Decree No 961 "On State Compulsory Insurance Coverage of Property Owned by Citizens." These documents will become law on 1 January 1983.

The new terms of the compulsory insurance coverage of buildings and livestock that are the personal property of citizens and the need for the change in existing conditions are explained below.

In accordance with the USSR law of 4 April 1940, buildings are insured for their full value (excluding depreciation) on the basis of the 1939 wholesale prices of construction materials, freight rates and wages of construction workers.

Since that time these prices, rates and wages have risen considerably and this has given rise to disparities between the actual value of buildings and the amount of insurance coverage (the insured sum). This means that when buildings are lost, destroyed or damaged today, the amount of insurance compensation paid on the majority of claims is a negligible sum, often equivalent to no more than 10-15 percent of the actual loss.

Besides this, the prices of various construction materials have not risen uniformly in various parts of the country and this has given rise to significant differences in the coverage levels of buildings in different locations. These differences are now equivalent to 10-30 percent of the present value of buildings.

Insufficient compensation for the expenses incurred when buildings are lost, destroyed or damaged naturally puts their owners in a difficult position and results in numerous complaints to the USSR Ministry of Finance, press organs and administrative party and soviet organs.

The negligible insurance coverage provided by compulsory building insurance has necessitated the creation of opportunities for owners to acquire fuller compensation for their losses. For this purpose, voluntary building insurance was instituted as a supplement to compulsory coverage on 11 December 1959 by Decree No 1333 of the USSR Council of Ministers "On the Voluntary Insurance Coverage of Kolkhoz and Personal Property."

The appraisal of buildings for voluntary insurance coverage is based on the state retail prices of construction materials, freight rates and the wages of construction workers in the regions where the buildings are located. Furthermore, buildings can be insured for the amount of the difference between 80 percent of their appraised value for voluntary insurance and the compulsory coverage.

This has led to the creation of an abnormal situation in which the same buildings are appraised in different ways for the same purpose--state insurance: They are appraised according to 1939 wholesale prices (which have not been used in the national economy for a long time) for compulsory insurance and according to modern retail prices for voluntary insurance.

In order to place state building insurance on the proper economic basis and to bring the level of insurance coverage in line with the actual costs incurred when a building is lost, destroyed or damaged, the compulsory insurance of buildings for 40 percent of their full value (excluding depreciation), calculated according to the present state retail prices of construction materials, their transport rates and the wages of construction workers (instead of the wholesale prices that were in effect in 1939), will be instituted on 1 January 1983. Voluntary building insurance will continue to exist and will be calculated according to the same prices as compulsory insurance, for up to 40 percent of the value of the building (excluding depreciation).

The appraisal of buildings for state insurance purposes should be conducted according to new appraisal norms. These should be calculated according to the value, in existing state retail prices, of buildings typical of the locale.

The new norms for the appraisal of rural buildings will be drafted by state insurance agencies and norms for urban buildings will be drafted by municipal service agencies. They will be approved by the union republic councils of ministers or by their authorized representatives--the councils of ministers of autonomous republics, the executive committees of kray and oblast soviets of people's deputies and the soviets of autonomous oblasts and autonomous okrugs. The deadline for the determination and approval of appraisal norms is 1 April 1982.

The appraisal of buildings according to the new appraisal norms should be conducted before 1 December 1982 by state insurance agencies in rural areas and by municipal service agencies in cities. Buildings will be reappraised by the appropriate agencies at least once every 5 years (instead of the present 4).

In view of the fact that the rise in the insured sum of compulsory insurance coverage would also raise the premiums of most citizens, the present premium rates are to be reduced by an average of 50 percent.

The new terms of compulsory building insurance will raise the average insured sum by 127 percent--to 2,012 rubles instead of 887. There will be a corresponding increase in the compensation paid to citizens whose buildings are lost, destroyed or damaged.

Standard premium rates for compulsory building insurance will be the same in all union republics: 35 kopecks per 100 rubles of coverage in rural areas and 30 kopecks in cities. The average premium will be 6 rubles 56 kopecks instead of the previous 5 rubles 99 kopecks.

Besides this, the councils of ministers of union republics with oblast divisions will have the authority to set differentiated premium rates for autonomous republics, krays, oblasts, autonomous oblasts and okrugs, and the councils of ministers of union republics without oblast divisions will be authorized to do this for rayons and cities, within a maximum range of 30 percent above or below the union republic premium, on the condition that the average republic rate remain unchanged.

Autonomous republic councils of ministers, executive committees of kray and oblast soviets of people's deputies and the soviets of autonomous oblasts and autonomous okrugs will also have the right to set differentiated premium rates for rayons and cities (either higher or lower, but by no more than 30 percent, than the average rate set by the union republic council of ministers for the autonomous republic, kray, oblast, autonomous oblast or autonomous okrug) as long as there is no change in the average rate.

The following structures owned by citizens have been designated as the objects of state compulsory insurance: homes, garden sheds, summer cottages and agricultural out-buildings, with the exception of dilapidated structures which are not being used for any kind of economic purpose and structures belonging to citizens whose place of residence is unknown.

The list of grounds for insurance claims has been lengthened. In addition to the loss, destruction and damaging of buildings as a result of fire, lightning, explosions, floods, earthquakes, storms, hurricanes, heavy rains, hail, avalanches and landslides, as well as cases in which the buildings have had to be dismantled or moved to another location in order to stop a fire from spreading or in the event of the sudden danger of flooding, the list also includes floods due to melting snow, torrents, tidal waves, underground water swells, abundant snowfalls and rainy spells of extraordinary length for the particular location, accidents affecting heat, water and sewage lines and cases in which the threat of some kind of natural disaster (and not just floods) necessitates the dismantling or relocation of the building.

Some changes have also affected the terms of insurance covering privately owned livestock.

The level of public financial security has risen considerably since the time the USSR law "On Compulsory Property Insurance" was passed, and citizens therefore do not incur serious economic losses when their sheep, goats, donkeys, mules and hogs die. Nevertheless, the work involved in keeping track of these animals obviously does not correspond to the low effectiveness of their insurance. For this reason, a decision has been made to abolish the compulsory insurance of sheep, goats, donkeys, mules and hogs. They will be insured strictly on a voluntary basis and standard insurance liability will be doubled--that is, to 80 percent of the average cost, calculated according to existing state purchase prices, of livestock of each species and age group.

The following types of livestock will have to be insured (starting on 1 January 1983): cattle over the age of 6 months and horses and camels over the age of 1 year.

Indemnity sums will be set by the union republic councils of ministers for autonomous republics, krays, oblasts, autonomous oblasts, automonous okrugs, rayons and cities, for each species and age group in the amount of 40 percent of their average cost, calculated according to existing state purchase prices. Union republic councils of ministers can authorize the councils of ministers of autonomous republics, the executive committees of kray and oblast soviets of people's deputies and the soviets of people's deputies of autonomous oblasts and autonomous okrugs to set the sums of livestock insurance coverage for rayons and cities.

Compulsory livestock insurance premiums are based on the rates stipulated in the USSR Supreme Soviet Presidium ukase of 7 December 1959 and are calculated according to the level of insurance compensation paid out during the preceding 5 years. In many union republics these rates do not ensure the creation of the necessary reserve fund for the payment of claims. For this reason, the new terms of compulsory personal property insurance specify premiums for cattle, horses and camels which are in line with the level of compensation paid out in the particular republic in the last 5 years.

Annual premiums on compulsory livestock insurance have been set at the following amounts per 100 rubles of coverage:

(in rubles and kopecks)

Republic	Cattle	Horses and camels
RSFSR	2.90	5.00
Ukrainian SSR	2.00	7.00
Belorussian SSR	2.80	7.00
Uzbek SSR	3.00	3.00
Kazakh SSR	4.00	3.00
Georgian SSR	6.00	8.00
Azerbaijan SSR	6.00	8.00
Lithuanian SSR	2.50	7.00
Moldavian SSR	3.50	6.00
Latvian SSR	2.50	5.00
Kirghiz SSR	3.00	4.00
Tajik SSR	3.00	3.00
Armenian SSR	4.50	8.00
Turkmen SSR	4.00	5.00
Estonian SSR	2.50	5.00

The union republic councils of ministers, the councils of ministers of autonomous republics, the executive committees of kray and oblast soviets of people's deputies and the soviets of people's deputies of autonomous oblasts and autonomous okrugs will have the power to set differentiated premium rates for livestock insurance, with a view to local conditions, according to the same procedures and within the same limits as in the case of building insurance.

In addition to being covered by compulsory insurance, cattle, horses and camels can be insured on a voluntary basis for up to 40 percent of their average value according to current state purchase prices.

Considerable changes have been made in the list of cases in which state insurance agencies will assume financial liability for dead livestock. According to the new terms, compensation will be paid in virtually all cases of death due to diseases, accidents and natural disasters, as well as in cases when the animal has to be killed because he has been in an accident and faces certain death or if the animal is destroyed on the orders of a veterinary specialist in connection with measures to combat epizootic diseases or in connection with incurable diseases which exclude the possibility of the animal's future use.

It should be noted that in cases of compulsory slaughter the insurance compensation will be equivalent to the insured sum minus 40 percent of the value of edible meat (according to the present terms, the total value of sold meat is deducted from the compensation).

Some of the restrictions on the payment of building and livestock insurance claims have been lifted: gross negligence on the part of the insurant, leading to the destruction or damaging of buildings; the failure to tend livestock properly, the use of substandard feeds, the maintenance of livestock in improper facilities, the failure to call for veterinary assistance when this could save the animal's life, etc.

Now a claim can be disallowed only if buildings are destroyed or damaged or livestock die or are killed or destroyed as a result of deliberate actions on the part of the insurant or an adult member of his family (or of his kolkhoz group) and if an animal dies because these people deliberately disregard the orders of a veterinary specialist regarding preventive measures to combat contagious diseases or the compulsory slaughter or destruction of a sick animal.

The executive committees of rayon and city soviets of people's deputies now have the power to exempt certain insurants from the payment of all or part of their insurance premiums. The new terms will also extend this authority to the executive committees of village and rural soviets of people's deputies, which will certainly aid in the fuller, more timely and more objective resolution of this matter.

Insurants who are experiencing temporary financial difficulties should be exempted from the payment of premiums only at their own request. State insurance inspectors should submit a written report to the executive committee of the appropriate soviet of people's deputies on each specific request (written or oral).

The RSFSR Council of Ministers has the power to exempt inhabitants of the Far North and regions with similar conditions from the payment of all or part of their insurance premiums.

It is quite significant that the new terms of compulsory state property insurance include a statement about the obligation of organs of internal affairs, agriculture, the hydrometeorological service and other competent agencies to submit the necessary documents to state insurance inspectors with regard to the place, date and cause of the property loss or damage and other facts pertaining to decisions on the payment of claims.

The new terms of state compulsory insurance will apply to the property (buildings and livestock) of citizens of the USSR and of foreign citizens and stateless persons residing permanently in the USSR.

The following deductions will be made from state compulsory insurance premiums: 4 percent (instead of 8 percent) to finance measures to prevent property loss and damage, and 0.5 percent to finance mass explanatory work and to reward persons who actively promote insurance coverage on a public basis. The reduction of deductions to finance preventive measures (from 8 to 4 percent) is the result of the constant increase in total premiums and in the size of deductions connected with the development of personal property insurance.

Union republic councils of ministers will determine the list of measures financed by means of deductions from premiums and aimed at the prevention of personal property loss and damage, and the procedure for the expenditure of these funds. Funds for preventive measures will also be deducted from voluntary insurance premiums.

The new terms of the compulsory insurance coverage of property owned by citizens will play a positive role in the constant elevation of the Soviet people's material standard of living because they represent an effective means of protecting the property rights of citizens and of balancing societal and individual interests.

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REPORT ON UKRAINIAN CONSUMER COOPS IN KIEV

Kiev SIL'S'KI VISTI in Ukrainian 15 Apr 82 p 2

[Article by V. Serhiychuk: "From Cooperators to Farmers."]

[Text] Last year the republic's consumer cooperative fulfilled the basic planned tasks and expanded trade, procurement and production activity. Thus the retail commodity circulation amounted to 13.9 billion rubles and with the realization of agricultural products in cities and worker settlements 14.4 billion rubles.

Yet, as was stressed in the report by the chief of the Ukrainian Cooperative Association administration S.V. Lytvynenko, speaches by administration chief, Zbarazhskiy Rayon consumer association in Ternopol'skaya Oblast, B.V. Olyanytskyy, manager of the kolkhoz "Ukrayina" in Dunayevetskiy Rayon, Khmel'nitskaya Oblast, hero of socialist work V.V. Sten'hach, administration chief, Ivano-Frankovskaya Oblast consumer association S.M. Hranat and other council participants, there are still basic shortcomings and serious omissions in the activity of the republic's cooperative organizations. Last year more than 20 percent of public dining room stores and enterprises and 42 cooperative trade enterprises did not meet their production requirements. In Kievskaya Oblast, for example, for several years now plans are not fulfilled by cooperators in Kagarlitskiy, Skvirskiy, Vastivskiy and Tetiyivskiy Rayons, in Kirovogradskaya Oblast - Oleksandriyskiy, Bobrinetskiy, Petrivskiy, Znamyanskiy and Svitlovodskiy Rayons. There are similar collectives also in Poltavskaya and Chernigovskaya Oblasts.

It was noted in council reports that in some consumer associations the trade level is satisfactory but the quality of service does not meet the increased demands by the population and present day requirements. The established material basis of wholesale and retail trade, and the system of public dining rooms is not effectively utilized everywhere. In many cooperative organizations, especially in Kharkovskaya Oblast, commercial work is inadequate, an accurate system of supplying stores with goods has not been established, trade irregularities are permitted while goods remain stored in bases and storehouses. The oblast does not have a systematic way of

normalizing commodity supplies which led to an uneven distribution of fabric and knitwear products as well as footwear, china and glassware. A considerable number of "hard to sell" goods have accumulated on counters in rural stores especially in Kirovogradskaya, Kievskaya and Khmel'nitskaya Oblasts causing sizable losses due to price reduction.

A substantial reserve in raising trade effectiveness is the acceleration of commodity circulation and well organized supplies. If this indicator can be raised even for three days, which is within the capability of all oblast consumer associations, then even in today's extent of commodity circulation more than 18 million rubles of cooperative costs can be released per year and thereby decrease credit needs in the state bank by 90 million rubles. Unfortunately, where this issue does not receive sufficient attention, annoying mistakes occur. At the Khmel'nitskaya Oblast consumer association, for example, the commodity circulation index amounts to 177 days, 54 days more than among the neighbors in Ternopol' area. As a result, last year they overspent 1533 thousand rubles [sic] for bank credit payments.

A lot of attention at the meeting was given to the development of public dining rooms. In the present five-year plan its commodity circulation in the Ukrainian cooperative association system is supposed to grow by 19 percent. The whole increase must be obtained from raising own production output and raising also work productivity.

One of the important tasks for the republic's cooperators in the present five-year plan is the increase of production surplus purchase from the population, especially of meat. The speakers stressed that Ukrainian cooperative association administrations, oblast consumer associations, rayon consumer associations and rayon consumer societies have not yet achieved maximal utilization of available agricultural production commodity resources, are not very effective in introducing wasteless technologies and progressive methods of preservation. Oblast consumer associations in Ivano-Frankovsk, Kiev, Kirovograd, Nikolaev and Ternopol' are slow in expanding meat production, occasionally allow feed overconsumption and suffer losses in the subsidiary enterprises. Many cooperative organizations do not fatten cattle, livestock or poultry.

Serious criticism was directed at shortcomings in the production activity of Kievskaya, Khmel'nitskaya and Rovenskaya Oblast consumer associations. There and also in other cooperative organizations secondary raw material and local material are not fully utilized for increasing the production of popular consumption goods.

Up to now there are no noticeable improvements in consumer cooperative capital construction. As a rule, basic funds are not used up on time, there is an increase in the extent of unfinished construction. In Zakarpatskaya Oblast, for example, construction of new, unplanned

structures is systematically started, and those planned remain untouched. As a result, every year there are 12 unfinished structures and the restaurant in Klyachanove village has been under construction for 12 years.

Effective use of autotransport is very important in organizing uninterrupted consumer cooperative trade, procurement and production activity. It was stressed that if its productivity within the Ukrainian cooperative association system attained the level reached by the leading Rovenskaya Oblast auto association, it would be possible to fulfill an additional goods turnover in the amount of 267 million ton-kilometers which is equivalent to the work of more than 3,000 trucks throughout the year.

The tasks facing the republic's consumer cooperative in the light of the 26th CPSU Congress and comrade L.I. Brezhnev's directions to improve the servicing of rural population, making farmers' and their families' rest worthwhile, are very responsible, especially now when the harvest struggle for the second year of the five-year plan has started in the fields. With this in mind, the meeting of the council of Ukrainian cooperative associations instructed cooperative organization administrations to analyze work results critically, creating all requirements for unconditional fulfillment of plans, tasks and socialist obligations for 1982 and the 11th Five-Year Plan in general.

9443
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CONSUMER GOODS PRODUCTION IN INSTRUMENT MAKING INDUSTRY

Moscow KOMMERCHESKIY VESTNIK in Russian No 6, 1982 pp 2-5

[Interview with USSR Deputy Minister of Instrument Making, Automation Equipment and Control Systems Konstantin Bagratovich Arutyunov by KOMMERCHESKIY VESTNIK special correspondent V. Romanov: "Second, But Not Secondary"; date and place not given]

[Text] There is no need to introduce to our reader such a most important sector as instrument making. Its products are very necessary to our national economy, especially today when the scale of production and the rate of scientific and technical progress are increasing sharply. However, mass demand goods are also no less necessary in our times, which was discussed from the rostrum of the 26th party congress, at the November (1981) CPSU Central Committee Plenum and at the Sixth Session of the USSR Supreme Soviet. During the 11th Five-Year Plan in instrument making it is envisaged to increase by 1.4-fold the output of cultural, personal and household items. In order to accomplish what has been outlined, it is necessary to seek additional means and to use extensively the internal reserves of enterprises. USSR Deputy Minister of Instrument Making, Automation Equipment and Control Systems Konstantin Bagratovich Arutyunov tells how these tasks are being accomplished in an interview with KOMMERCHESKIY VESTNIK special correspondent V. Romanov.

[Question] Constantin Bagratovich. Life urgently requires that all union ministries and departments direct their efforts toward the improvement of the planning of production and consumer goods, work more actively on the questions of the allocation of assets for the building and renovation of specialized works and shops and approach more carefully the determination of the future products list. It is already a question of the drafting of comprehensive programs of the production of goods at t e overwhelming majority of industrial enterprises. What could you say about this with reference to the sector?

[Answer] I will response first to the second part of the question. In the sector there are practically no enterprises at which cultural, personal and household goods are not produced. The assignments set for the ministry in the 10th Five-Year Plan were exceeded--the production volumes of goods increased by 1.5-fold, that is, products worth 500 million rubles in retail prices were produced in excess of the plan.

[Question] And what about the assortment?

[Answer] Not only has much work been done on the expansion and updating of the assortment of goods, but their quality and technical level have also been increased. We, in particular, are responsible for the state and development of production and for the complete meeting of the demand of the population for items of 14 descriptions. Clocks of all types and jewelry, fountain pens, mechanical pencils and typewriters, sets of drawing instruments and lighters, manicure sets, household scales and others belong here. The need for them is being almost completely met.

During the 11th Five-Year Plan the instrument makers are faced with the task of stepping up the activity connected with the expansion and updating of the assortment of goods and the increase of their quality. We realize that here it is necessary to display economic maneuverability, flexibility, especially when changing the products list. Taking into account the remarks of trade, we are elaborating measures on the improvement of the maintenance and repair of complicated technical durable items. Incidentally, it is planned to increase their output even further. Some 50 new types of items with improved consumer and esthetic properties will appear on the market, and their production will be set up at enterprises which are not specialized in the output of cultural, personal and household goods.

Particular attention is being devoted to the supply of the population with mass demad goods and to the drafting of comprehensive programs of their production.

Quite a large list of mass demand items is produced at the enterprises of the ministry. First of all wristwatches and wall clocks, alarm clocks, fountain pens, mechanical and simple pencils, lighters, folding umbrellas, felt-tip pens, electric razors, stainless steel kitchen sets, spools, forks, electric curlers, thermometers and a large number of other items are among them. It is planned to expand and update the assortment of these goods during the 11th Five-Year Plan. And for this purpose the scientific research institutes of the ministry have drafted and approved for 1981-1985 comprehensive programs of engineering and technical measures, which are aimed at the development of new models of improved quality of such popular goods, which have an enormous demand, as quartz watches, alarm clocks, jewelry, felt-tip pens, lighters and manicure sets. The production of electronic scales--table and floor scales--will be set up. The output of special scales--for the weighing of nursing children under home conditions--is also being planned. The demand for them is great.

Of course, it is far from a simple thing to implement these programs. New, advanced technological processes have to be introduced, new materials and types of finishes, which conform to modern esthetic ideas, will be needed. It goes without saying that it is possible to approach the set goal only on the basis of the increase of production efficiency, the observance of the strictest policy of economy of all resources, the improvement of the system of management and the methods of managing and the tightening up of planning, production and labor discipline.

[Question] Konstantin Bagratovich. How would these comprehensive programs be expressed in figures?

[Answer] For instance, the output of the most diverse highly artistic jewelry will increase twofold, and along with traditional jewelry, such as rings, earrings,

pendants, the production of new ones will be assimilated: articles for needlework, cases for pomades and glasses, notebooks and mirrors in a souvenir design. It is well known that jewelry made from precious and semiprecious stones are in very great demand. For the purpose of the more complete satisfaction of the requirements of customers rubies, sapphires, opals, tourquoise and malachite will be "grown" in our laboratories. It is proposed to increase sharply the number of synthetic emeralds.

Here is another example. The production of felt-tip pens will increase eightfold and in 1985 will come to 200 million. Moreover, their assortment will be expanded considerably. Whereas today you will encounter on sale felt-tip pens of only 5-7 colors, in the near future sets of 18-24 will appear.

The output of fountain pens with interchangeable reservoirs will also increase. The production of household scales will increase by 1.3-fold, floor scales--1.6-fold, manicure sets--1.7-fold and not only the ones already known--for women, but also for men and even children. These set will be produced in a new, original souvenir-gift design. We are trying also to meet the demand for disposable lighters. Incidentally, piezoelectric lighters have been placed into a series. In outward appearance they differ greatly from the known models which are presently being produced. The finish is enamel, diamond facet and special varnish coating.

[Question] As is known, it is planned to carry out the expansion of the production of goods mainly by the renovation and specialization of operating shops and works and the introduction of new technological processes. Is this work being performed in the sector?

[Answer] The improvement of product quality in our times it impossible without the systematic renovation and modernization of operating works. At the same time we understand that it is impossible to modernize all the equipment in a short time, this task is very complex, but such work is being performed. For example, during 1976-1980 production capacities, which made it possible to increase the output of cultural, personal and household items to 186.4 million rubles, were put into operation at the enterprises of the ministry. Moreover, the complete retooling of all the enterprises, which are specialized in the production of jewelry, was carried out, while in the timepiece industry new technological processes are constantly being introduced. In particular, for the mechanization and automation of the technological process of the assembly of wristwatches a group of specialists of this subsector received the USSR State Prize.

[Question] It is not easy to make a good thing. It will conform to the strict standards only if the designers, the suppliers of raw materials and components and the producers themselves perform their work conscientiously. What could you say about this?

[Answer] Of course, all this is interconnected. To develop a useful, beautiful thing is still not everything, it must also be executed well, but the execution depends not only on the immediate producer, although his role is also enormous. The materials and components are the thing without which the idea of the designer cannot be realized.

Let us face it, we are justly criticized at times for the output of low quality products, items with an unmodern, or else simply a poor finish, for pale colors, technical imperfection and so on. For example, so far we have not been able to set up the production of multicolor felt-tip pens due to the lack of polystyrene of the necessary range of colors. The Ministry of the Chemical Industry is supplying six or seven shades of it, the same thing also applies to the color of ink. It happens that the timepiece industry also receives substandard materials and components. For example, silver steel and German silver from the Ministry of Nonferrous Metallurgy. The power sources, which are produced at enterprises of the Ministry of the Electrical Equipment Industry, do not last the warranty period and, so to speak, "pass on."

And the untimely meeting of contractual obligations?! Here is an example for you: the uneven delivery by one of the plants of the Ministry of Nonferrous Metallurgy of brass wire, which is used for the production of the cores for ball point pens, leads in turn to the disruption of their delivery to the trade network. Hence, too, the interruptions in selling.

In short, when they say that the output of products is a matter of each and everyone, there is no exaggeration in this. The mechanism of the planning and evaluation of the activity of enterprises, which produce goods for the people, should be adjusted so that first of all the requirements of the customer would be taken into account and each enterprise would be vitally interested in the steady increase of the production of good quality and beautiful things.

[Question] The period of the elaboration and approval of standard technical specifications seriously affects the quality of consumer goods. For the present it has been drawn out unjustifiably, and this is having the result that some items become obsolete before their production begins. Is an attempt being made in the sector to change the very unwieldy procedure of the passage of documents and to eliminate the red tape of paper, which stems from this?

[Answer] The development of a model and the start of its production are regulated by a number of sectorial standard documents and instructions, and when submitting the technical specifications for new types of items for approval the number of approving organizations within the ministry, as a rule, does not exceed two, while the deadline of approval is 15 days from the time of the receipt of the documents. But the point is that subject to the type and purpose of the item the standard technical specifications before approval should also be submitted for approval to the organs of the State inspectorate, to the ministries of domestic and foreign trade, the AUCCTU or the central committees of the trade unions. What is more, a number of decrees, orders and other directive instructions in additional call for the submitting of the documents for approval to the transportation ministries, the Ministry of Consumer Services, the organs of the Ministry of Health and other departments. Thus there arises the red tape of paper, about which you spoke, the rate of the assimilation of new goods is dragged out, the efficiency of the work of the developing enterprises decreases, which leads to considerable losses of working time.

We want to change, as far as possible, the established procedure. In 1980 the State Committee for Standards and the Ministry of Instrument Making, Automation Equipment and Control Systems began joint work on the improvement of the system

of the development, the delivery to the works and the certification of the products of instrument making, including for consumer goods. The regulations of the registration of the coordination and the approval of the standard technical specifications, design and technological documents are being approved. A joint order, which calls for a simplified procedure of the approval of the cards of the technical level, the operating and repair documents, as well as of the making of changes in the design and technological documents, was the result of this activity. Such work is being continued.

[Qestion] The All-Union Pavilion of the Best Models of Consumer Goods annually turns over from its fund to enterprises and associations up to 20,000 models for their introduction and use in joint developments. However, many enterprises, after receiving them, for certain reasons or others, for years drag out their assimilation or in general return them unassimilated. The quite low percentage of the new items, which are presented at interrepublic and republic trade fairs, is indisputable evidence of this. What is the situation in the sector with the assimilation of new items of the best models?

[Answer] In the ministry there is a standing commission which is called upon to settle questions connected with the increase of the output, the updating of the assortment and the introduction of new types of cultural, personal and household goods. The commission annually examines over 150 models of items, which have been proposed for series production, with the exception of jewelry products, clocks, means of writing, lighters, manicure sets and household scales (they are examined in the technical art councils). After which either the decision to approve them is made or they are rejected with an indication of the reasons for rejection.

Review conferences, which are conducted jointly with representatives of the USSR Ministry of Trade, and for a number of items also with workers of the All-Union Pavilion of the Best Models of Consumer Goods, are also playing an important role in this work.

In accordance with the results of the reviews the corresponding recommendations are given to the enterprises: to increase the output of certain items or others, which have an increased demand, to remove obsolete items from the line, or to modify the design. I should note that at each review conference the results of the fulfillment of the recommendations of the preceding one are summarized.

I will cite a few figures. During 1976-1980 with the consent of trade organizations about 2,000 items, which had found no buyer, were discontinued, more than 8,000 new types, including timepieces, fountain pens and children's toys, were developed and assimilated. But more than 320 different models from the All-Union Pavilion were used when developing new types of lighters, manicure sets, umbrellas, watch bands, means of writing and sets of drawing instruments.

The problems of updating the assortment continues to remain one of the fundamental problems in the development of the production of goods. New items help the development of the commodity turnover, since they enjoy a greater demand of the population, they are more advanced and efficient in use.

The general path, which our sector is following, is to promote in every way the accomplishment of the main task of the 11th Five-Year Plan--to ensure the increase of the well-being of the Soviet people on the basis of the steady, progressive development of the national economy.

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7807
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ROLE OF STUDY OF CONSUMER DEMAND IN ADMINISTRATIVE WORK

Moscow SOVETSKAYA TORGOVLYA in Russian No 2, 1982 pp 2-8

[Article by USSR First Deputy Minister of Trade P. Kondrashov (Moscow): "The Study of Demand at the Basis of Administrative Work"]

[Text] One of the fundamental features of the State Plan of USSR Economic and Social Development for 1981-1985 and the State Plan and State Budget for 1982, which were approved by the November (1981) CPSU Central Committee Plenum and were passed by the USSR Supreme Soviet, consists in the fact that the assignments adopted in them consolidate the policy of the 26th CPSU Congress of a more extensive turn of the national economy in the direction of the diverse tasks connected with increasing the consumption of the people.

The basic national economic proportions, which reflect this policy of the party, are characterized by the following. First, an increase of the proportion of the consumption fund in the national income, which in 1985 will come to 78 percent (in 1980--75.3 percent), is envisaged. The physical amount of the consumption fund will increase by 78.5 billion rubles.

Second, the output of products of group B will increase at a leading rate as compared with the output of products of the sectors of industry of group A. The production of consumer items will increase during the five-year plan by 26.2 percent, while the production of means of production will increase by 25.5 percent.

Third, the growth rate of the production of consumer goods will lead the growth rate of the commodity turnover. During the past five-year plan the production of consumer items increased, as is known, by 21 percent, while the commodity turnover increased by 24.4 percent. During the 11th Five-Year Plan the production of consumer items will increase by 26.2 percent, while the commodity turnover will increase by 23 percent.

The volume of the commodity turnover in 1985 will come to 345 billion rubles and on a per capita basis will increase from 1,019 rubles in 1980 to 1,249 rubles in 1985. It will increase at a leading rate in rural areas, as well as in the republics of Central Asia and Transcaucasia and in regions of Siberia and the Far East.

Further qualitative changes in the structure of commodity resources will occur on the basis of the increase of the output of products in the sectors of the food

industry by 23 percent, of light industry by 19 percent and of cultural, personal and household items by 1.4-fold.

The CPSU Central Committee and the USSR Council of Ministers have adopted decrees which are aimed at the increase of the production of basic necessities and mass demand goods in 1981-1985, which, unquestionably, will have a positive effect on the supply of the population with them.

In the coming years such trends as the further development of scientific and technical progress, the improvement of housing and living conditions, the increase of the free time of the working people and the development of physical culture and sports will also have a great influence on the demand of the population.

The steps on increasing the consumption of the people, which are being outlined by the party and the government, are placing the problem of improving the study of the demand of the population among the most important and priority problems, since a higher level of the organization of the study of demand should promote a higher level of the production of consumer goods and their sale.

In this connection attention should be directed to the fact that a certain portion of the experienced workers at times express the opinion that under the conditions of the still incomplete meeting of the orders of trade and the shortage of a number of goods the study of demand is void of sense. This is an utterly incorrect opinion.

Under the conditions of a temporary shortage of commodity resources the importance of the reliability and purposefulness of the information on demand increases. Only on the basis of a precise knowledge of the demand is it possible to distribute correctly, as well as to use efficiently and economically the raw material, production and manpower resources being allocated for the production of consumer goods. Trade should order only what will actually be sold and be consumed by the population, and will not lie as dead weight on the shelves of stores.

The demands on the reliability of requisitions and orders are also increasing because an enormous range of goods: up to 400,000 descriptions and more than 1 million assortmental items, is circulating on the market. With the increase of the monetary income of the population and the rapid updating and expansion of the assortment of goods the dynamicness of the demand increases significantly and the processes of its formation accelerate.

It is necessary to emphasize that at present the necessary scientific base--the All-Union Scientific Research Institute of Consumer Demand and Market Conditions and its branches in the union republics--and a developed network of special services for the study of demand at all levels of the management of trade exist in the sector. Along with commercial workers the workers of special divisions and groups, as well as of the laboratories of economic information and market conditions now are also studying the demand.

The system of Tsentrosoyuz also has the necessary scientific base (the VNIIEKT and its branches in the union republics), procedural tools and an extensive network of special subdivisions.

A definite turn in the direction of this problem has also begun to show in industry. Services for the study of demand are being set up in light, the electrical equipment and communications equipment industry and in several other sectors.

Where should reserves be sought for the radical improvement of the work on the study of demand and the increase of its effectiveness?

Apparently, at the present stage the following directions should be distinguished:

the organizational strenghtening of the services for the study of demand at all levels of management in the sector;

the increase of the quality and reliability of the materials on the demand and the degree of their utilization in management activity;

the optimum combination of the work on the identification of the demand and on its formation;

the consideration during the study of demand of the changes which are occurring in the very organization of trade;

the further improvement of the scientific research work in this area.

The organizational principles of the study of the demand of the population in state trade are specified in Order No 310 of the USSR Ministry of Trade of 29 December 1978. The execution of this order made it possible to reinforce organizationally the creation of services for the study of demand at trade enterprises and organizations. At the beginning of this year they have been set up at 85 percent of the trade organizations and 95 percent of the wholesale offices and bases.

And all the same for the present it is still impossible to recognize the state of affairs to be satisfactory. It is impossible because such services do not exist at all enterprises and organizations. It is necessary to complete this work everywhere in the immediate future.

The consolidation of these services should also be taken up in earnest. The analysis shows that the situation is worst of all precisely where information on the demand is needed most of all--in the oblast wholesale units and at retail enterprises, for the main work with requisitions and orders is performed precisely here, the main commercial activity is concentrated precisely here. But the services for the study of demand of these units are small and are not able to fulfill the tasks assigned to them.

While stressing the need to complete without delay the work on the creation of services and their strengthening, along with this special attention should be directed to the selection of specialists and to their skills. The existence of the services in itself is only a potential. The success of their activity depends on the skills of the workers. Therefore it is necessary to improve constantly and at all levels of management the skills of the personnel on the basis of the appropriate programs.

The work on the study of demand in the system of the republic ministries of trade merits serious attention. At present special subdivisions have been set up in all the republic ministries (except the Kirghiz SSR Ministry of Trade). This has promoted the increase of the responsibility of the ministries for the work on the study of demand at the enterprises and organizations subordinate to them.

The Division of Economic Information and Trade Conditions of the Economic Planning Administration of the RSFSR Ministry of Trade, for example, systematically generalizes and disseminates the experience of the best trade organizations and enterprises and enlists the oblast and kray administrations of trade in the compiling of market surveys. The ministry plans and organizes centralized studies of commodity markets with the republic wholesale organizations and consumer cooperatives in accordance with a uniform program and dates.

In 1980-1981 the Belorussian SSR Ministry of Trade implemented a set of measures on the study of the demand of the population, including many of them jointly with industry. This made it possible to decrease the strain in the trade in many goods of everyday demand. The shortage of several types of garden and orchard tools, art ceramic clay, handkerchiefs and other goods was eliminated.

However, it is necessary to increase the level of the management of the work on the study of demand in the system of the republic ministries of trade. This pertains to almost an equal extent to all ministries.

Plans of measures on the study of demand should be drafted and approved in the republics. It is necessary to include in them assignments for the planning and commercial subdivisions on the prompt generalization of the information on the demand, the centralized study of commodity markets, the study of the state of the trade in individual goods and the organizational management of the services for the study of demand at subordinate organizations. Checks of the state of this work at wholesale and retail enterprises with the examination of the results at meetings of the collegia of the ministries should also be stipulated in the plans.

The basic merging of the results of the study of consumer and demand and its forecasting appraisals with the administrative decisions being made should become the result of such planned and systematic work. The achievement of this goal is a decisive condition of the increase of the effectiveness of the work on the study of consumer demand. The state of affairs at all subordinate organizations will depend on how quickly and how successfully we will be able to achieve this in the ministries themselves. The attention of experienced workers and scientists should be directed to the solution of this problem.

Another organizational aspect of the problem consists in the need to strengthen the coordination of the work on the study of demand and the business cooperation with consumer cooperatives.

Unfortunately, the interrelations between state trade and the consumer cooperatives in this area for the present are not regulated according to a plan. Each one conducts the study of demand according to its own plan, the measures often duplicate each other. There is no regular exchange of information on demand, and in a number of cases this is one of the causes of miscalculations and errors in requisitions and orders.

The consumer goods market is a unified whole. Of course, the demand of the urban and rural population has its own peculiarities. But an overall estimate of the need for commodity resources, which can be obtained on the basis of the pooling of the efforts of state trade with consumer cooperatives, is necessary for the more correct orientation of production with respect to the output volumes and the range of goods. Joint observations of the demand according to a uniform plan and the systematic exchange of information with the use of coordinated methods can serve this goal. At present on the instructions of the USSR Ministry of Trade and Tsentrosoyuz the All-Union Scientific Research Institute of Consumer Demand and Market Conditions and the VNIIEKT are drawing up specific suggestions on the organization of such cooperation at every level of management.

Under present conditions the increase of the effectiveness of the work on the study of demand cannot be ensured only as a result of the improvement of the organization of this matter in trade. For the more correct substantiation of the programs of the production of consumer goods and the item orientation of their producers when drawing up the five-year and annual plans it is necessary to pool the efforts of trade and industry and to ensure their active cooperation.

As is known, the development of the system for the comprehensive study and forecasting of the demand of the population for consumer goods in trade and industry (SKIPS), which at the initial stage was elaborated by organizations of the USSR Ministry of Trade, Tsentrosoyuz and seven industrial ministries, was begun during the past five-year plan. The pilot introduction of SKIPS, which was carried out in 1980, showed that the system increases the organizational and procedural level of the work on the study of the demand of the population and provides a more accurate estimate of the need for goods not only with respect to the total amount, but also in the detailed assortment.

The USSR State Committee for Science and Technology accepted the first stage of the work on the creation of SKIPS. The development and adoption of this system are one of the general directions of the improvement of the organization of the work on the study of the demand of the population. Therefore the All-Union Scientific Research Institute of Consumer Demand and Market Conditions and other organizations, which are participating in this work, must agree more boldly and more resolutely to the enlargement of the scale of the system and the range of goods, which are covered by SKIPS, and must advance the dates of the work on the further improvement of its information and procedural support.

Firm trade is playing an important role in the organization of the study of consumer demand by industry. The decisions of the 25th and 26th party congresses envisaged the development of this form of trade, and identified as its main task the study of demand for the purpose of the immediate, more direct influencing of production.

By the beginning of the 11th Five-Year Plan there were 574 firm stores. The necessary standard and organizational conditions were created for the performance by these stores of their main function. Their standardization was carried out. The procedure of planning the commodity turnover and the commodity supply was determined. The methods of studying demand and even recommendations on the location of such stores were elaborated. And still many firm stores are not performing their basic function--the study of demand. The misunderstanding of the purpose of firm

stores by local organs of the administration of trade, which set for them unduly stepped-up plans of the commodity turnover, very often prevents this. This gives rise to a "chain reaction"--the firm store switches exclusively to commerical activity, ceases to offer the entire assortment of goods being produced and demands only scarce items under the guise of "novelties," and the matter even goes as far as violations of the regulations of trade. The task is to completely eliminate these shortcomings. This concerns both the increase of the commodity turnover and the broadness of the assortment of goods. Precisely such an approach will make it possible to completely subordinate firm trade to its basic goals.

The radical improvement of the work on the study of demand in the sectors of industry, which produce consumer goods, requires, in our opinion, special examination on the statewide level. At present this work is being performed more on the basis of initiative, and then not in all ministries. Special subidivisions for the study of demand should be set up in the ministries, while it is necessary to reflect not the right but the duty to study and form consumer demand in the statutes on industrial ministries.

The second direction in the work on the more efficient organization of the study of demand is its success, which, in turn, acts as one of the factors of the increase of the level of the planning and commercial activity in all the units of trade.

The study of demand should be completely subordinate to the task of increasing the soundness of the decisions being made at all the stages of the formulation of the plans of the production, distribution and deliveries of goods. The economic nature of orders consists not only in the fact that they should reflect with the utmost reliability the need of the population of goods, but also in the fact that they are the initial stage which forms the economic relations between trade and industry.

The success of the study of demand depends decisively on the reliability of the materials, which characterize its state and the prospects of development, on the completeness and correctness of their use when substantiating the requisitions and orders, on the activeness and persistence, with which these materials are made available to industry. The disregard of these requirements leads to serious miscalculations and errors when estimating the needs for resources of goods.

Unfortunately, there are many such examples. Thus, the order of the Turkmen SSR Ministry of Trade for 1980 for children's part-wool pants and socks, in spite of the forecasting estimates of the branch of the All-Union Scientific Research Institute of Consumer Demand and Market Conditions, was decreased considerably as compared with the preceding year, although their sale in the republic went on with disruptions.

Many wholesale and retail trade organizations and enterprises of the RSFSR, the Ukrainian SSR, the Belorussian SSR, the Latvian SSR and the Lithuanian SSR, taking as a basis the materials of the study of demand, are submitting a large number of suggestions on the change of the production volumes of consumer goods, on the improvement of their assortment and on the better use of local resources and are striving for the implementation of these suggestions by industry. However, as a whole the concern about the reliability of the information on demand and its proper use in the planning and commercial work of trade organizations has still not become the norm.

One of the main causes of this is the separation of the work on the study of demand from the administrative decisions being made. There are still frequent instances when the study of demand is carried out independently, while the work with suppliers is carried out independently. The trade organizations of the Ukrainian SSR, for example, in 1980 held more than 3,000 sales exhibitions, much labor-consuming work was performed. Only about 20 percent of the obtained materials were used in practical activity.

In order to increase the quality of the work on the study of demand and the validity of requisitions and orders, it is necessary first of all to ensure the basic coordination of the study of demand with planning, commercial and organizing activity and to increase the purposefulness of the measures on the obtaining of information on demand and the demands on its reliability. The concern about this should become an everyday matter of the managers of trade organizations of all levels and of every worker of the planning and trade division.

Specific means of solving this important problem are specified in the prodecural instructions which were drawn up by the All-Union Scientific Research Institute of Consumer Demand and Market Conditions. Now one must ensure their practical use and not be guided by obsolete methods of estimating the need "by intuition" or "from what has been achieved."

Apparently, the indicators of the forecasting estimate of the demand by groups and types of goods should be included among the obligatory indictors, so that it would be possible to compare to what extent it is taken into account in the requisition or order. Then it will no longer be possible to allege someone's errors. The executive who signs the requisition (or order) will fully bear the responsibility for its reliability and conformity to the forecasting estimate of the demand.

The work of the middle levels of management--the main administrations of the USSR Ministry of Trade, the administrations and divisions of the ministries of trade of the republics, and in industry the main administrations of the corresponding ministries, the All-Union and republic industrial associations--has an important role in increasing the success of the study of demand. Until recently the interrelations between them were of only an operational nature and did not have a contractual, legal basis.

Now the situation is changing substantially. The conclusion of 5-year agreements between the economic organs of trade and industry is being introduced in practice. The coordinated programs of the output of goods by years of the 5-year period, the requirements on the updating of the product assortment and measures on the study of the demand of the population should be set forth in these agreements. Quite good conditions are being created for the increase of the role of trade in the formulation of the plans of the production of consumer goods. But they can become a reality only on the condition of the soundness of the obligations both on the production and on the sale of the goods.

In this connection the need is arising to elaborate and introduce in practice scientifically sound methods on determining the need for goods for the substantiation of the 5-year agreements. The All-Union Scientific Research Institute of Consumer Demand and Market Conditions has already begun this work. Its completion must be expedited.

It is necessary to improve the study of demand in the middle levels of management not only in order to increase the influence on production. This is at the same time a necessary condition of the increase of the level of planning in the sector. The errors, which are made, in particular, when distributing resources of goods among republics, oblasts and regions of the country, are first of all the result of the inadequate consideration of the information on the demand of the population.

It is also possible to judge the nature of the miscalculations when purchasing goods from the results of the analysis of the stocks of unmarketable and old goods. According to the data of the USSR Central Statistical Administration, their total amount on 1 October 1980 came to 1,520,600,000 rubles. Of course, a portion of these goods became unmarketable owing to the change of fashion. This is an objective process. But the other portion piles up in the stocks precisely owing to miscalculations when purchasing the goods. In confirmation of this let us say that in the total amount of unmarketable goods in recent years goods which pile up in stores during the year of their production have accounted for a large proportion (from 22 to 36 percent). In value terms this amounts to hundreds of millions of rubles and is the price which has to be paid for errors in determining the demand of the population.

It is necessary to improve sharply the forecasting of demand with a breakdown by territories--for the autonomous republics, krays and oblasts, which will make it possible to take more completely into account in planning and commercial activity the specific nature of the demand of the population of different regions of the country and to increase substantially the level of the economic substantiation and reliability of requisitions and orders and, consequently, the quality and success of the work.

Changes in this matter already exist. The All-Union Scientific Research Institute of Consumer Demand and Market Conditions has prepared the necessary procedural documents and is conducting an experiment in .0 oblasts of the RSFSR. After generalization it is necessary to make this experience available to all the republics with an oblast division. The introduction of this approach everywhere is a complex process which should not have the nature of a one-time campaign. It requires careful preparation, daily and attentive consideration on the part of the republic ministries of trade and the strengthening of the business cooperation between science and practice.

Such work must be stepped up already now; in particular, laboratories of economic information and market conditions must be set up everywhere, while the existing ones must be reinforced with skilled personnel, an information base must be formed, having coordinated it with the development of automated control systems.

It is also necessary to speak about another very important problem--directed influence on consumer habits, tastes and reasons of choice, on all the behavior of consumers in the process of purchasing goods, in order to orient them toward the acquisition of those items, in the increase of the sale and consumption of which society is especially interested.

With allowance made for this the problem of the study of demand should be raised and solved as follows: not only to identify, evaluate thoroughly and properly take into account the formed demand, but also to form it with allowance made for

the goals of our society in the area of the increase of the material well-being and cultural level of the people, as well as the development of scientific and technical progress.

It must be said that whereas definite results exist in the identification and evaluation of formed demand, the situation with the formation of demand is much worse. Here active work is still not being performed, proper attention is not being devoted to this most important aspect of the matter.

Under present conditions the importance of the work on the formation of demand is increasing sharply. In the future the sale of new goods will increase substantially, having an important influence on the development of the retail commodity turnover. According to the estimate of the All-Union Scientific Research Institute of Consumer Demand and Market Conditions, by 1985 the sales volume of new goods will come to approximately 25 billion rubles, and that of fundamentally new cultural, personal and housing items alone will come to 12-15 billion rubles.

Such an approach to the problem of demand requires the timely preparation of the consumer for the perception of new items, the active influencing of the needs and esthetic tastes of different groups of the population and the stimulation of the rational shift of demand from some items to others. This should become one of the main tasks of all organs of trade, industry and science.

The level of the information of the population about the consumer properties of goods and the advantages of some items, especially new ones, over others has a great influence on the formation of consumer demand. Meanwhile it is possible to cite many examples of the fact that a significant portion of the consumers have only the minimum information on many, even well-known goods. Surveys of consumers have shown, for example, that only 50 percent of those surveyed know about the possibilities of a vacuum cleaner to humidify the air, 15 percent know about the possibilities of whitewashing a room by means of it. Only 29 percent of those surveyed are aware of the existence of a car refrigerator, while only 1 percent of the owners of cars have them.

Advertising measures in the overwhelming majority of instances are aimed primarily at selling goods which have accumulated. However, this is only one of the aspects of advertising activity. It is necessary to implement more actively measures on the promotion of the efficient consumption of goods and on the formation of the necessary needs and esthetic tastes of different groups of the population. For this the planning and implementation of advertising measures should be based on a careful analysis of the materials of the study of demand. It is necessary to join these two sections of the work, which constitute in essence a single process which is aimed at the achieve of the same goal.

The active and skillful use of the tools of pricing is universally recognized in the formation of demand. However, in practical work we are still using this lever quite timidly, are not raising aptly and soundly the questions of the change of prices, and are not actively intervening in the determination of the level of the prices for new goods.

The situation which has formed, for example, with minicalculators is typical. This instrument, which has become widespread abroad, for a long time in our country did not find an extensive market. A price of 60 to 350 rubles was set for the item, which was intended mainly for customers with a relatively low effective demand (pupils, students and so forth). And the price was reduced only when, if one can say so, a market crisis arose. But the item had to a certain extent been discredited in the opinion of the customer, and now additional steps on stepping up sales are required.

A purposeful assortment policy is of enormous importance in the formation of demand. The customer, as is known, selects an item he needs, directing his attention to the available assortment, comparing the merits and shortcomings of different items and contrasting them. Therefore the breadth of the assortment and its conformity to the tastes and purchasing power of different groups of the population are one of the most essential levers of the formation of demand, which must be used skillfully.

The formation of the demand of the population is a complicated problem. It is impossible to solve it only by the efforts of trade. Here the role of industry is also great. The systematic conducting of advertising campaigns, which involve the promotion of new goods and their advantages, and on this basis the broadening of the contingent of potential customers should become one of the basic directions in its work on the formation of demand. Of course, industry should also take part in general advertising measures, organizing, for example, sales exhibitions and test consumption, and in the determination of the optimum levels of retail prices, which contribute to the normalization of the market.

Science is also called upon to make its contribution to the solution of this problem. It should give scientifically sound recommendations on the time and the specific forms of the influence on the demand, the expediency and outlook of the use of certain tools or others of its formation, the basic directions, goals and tasks of this work during specific periods. The comprehensive study of the behavior of customers in the process of selecting and purchasing goods and the identification of the factors, which have a decisive influence on the formation of the demand with reference to specific goods, should become one of the tasks. So far such studies have not been conducted. The need has arisen for the active study of this aspect of the problem of demand.

Much work on the specialization of trade in technically complex goods and items of light industry and on its concentration at a smaller number of stores has been performed in recent years in conformity with decisions of the party and the government. Two goals are being achieved by this: the creation of the greatest conveniences for customers and the increase of the influence on production, since at such stores the opportunity arises to concentrate the broadest possible assortment of products of a given type and, hence, to see all its merits and shortcomings. Therefore the work of the services for the study of demand must be developed at such large specialized stores, while where they have been grouped into associations, at these associations. A system of the continuous obtaining, processing and interpretation of the obtained information must be established.

Along with the specialization of trade in durable goods the contours of such an object for the study of demand as consumer complexes are being outlined quite clearly

with respect to them and a number of other goods. Moreover, what is meant is not complexes like "Goods for Women" and "Goods for Men," since they are in reality not groupings of goods which are called upon to meet some similar groups of needs, but a means of the organization of selling, which is convenient for customers. These complexes frequently do not ensure the display of the assortment of clothing, shoes, haberdashery and knitwear in all its breadth. For not less than 1,400 m^2 of floor space are needed for the display of the entire assortment of clothing.

Of the complexes, which merit special attention on the level of the study of demand, there should first of all be noted "Goods for Recreation, Sports and Tourism," "Goods for Labor in the Household" and "Goods for the Orchard and Garden."

In practice there is still no scientifically sound classification of the detailed assortment of goods with respect to these complexes, which makes it possible in fact to control their production. Meanwhile the need for the study of the market and the sound formulation of the orders of industry is especially great precisely with respect to these goods. Many of them are not planned centrally, are produced at nonspecialized enterprises of heavy industry or light industry and for this reason first appear on the market, then disappear. Due to the lack of proper information the increase of their production frequently comes up against the limitedness of city or oblast demand. The need for the better organization of the study and active formation of the demand for these goods is dictated by the importance of the task which the party set--to ensure the reasonable, valuable relaxation of the Soviet individual and to create the conditions for his harmonious development.

The problem of the study of demand within such consumer complexes as "Goods for Children" and "Goods for Youth" holds a special place.

A specialized trade network of stores for the sale of goods of the children's assortment is now being set up in all the cities of the country. More than 2,000 stores like "Goods for Children" and 81 "Children's World" department stores are already in operation in the country. Plans of the development of the network of such stores for the 11th Five-Year Plan have been approved in all the republics. A minimum limit has been set--the standard of floor space for children's goods is 18 m^2 per 1,000 city dwellers.

One of the main tasks of the concentration of trade in goods for children is the increase of the influence on production. The experience of the Moscow Detskiy mir Firm and the Yerevan Detskiy mir Association has shown that the concentration of goods for children is becoming a mighty lever of influence on production and makes it possible to specialize entire factories and production associations in the production of children's goods and to organize the work on the constant enlargement and updating of the assortment.

Thus, specific organizational conditions for the study and formation of the market of children's goods have already been created. And now the ministries of trade of the republics and the branches of the All-Union Scientific Research Institute of Consumer Demand and Market Conditions should place the problem of the study of this sector in their work among the most important problems.

As for the complex "Goods for Youth," an abundance of work still exists here. Attempts have been made to establish contacts with industry, joint instructions have

been drawn up. A standard model of the store has been developed. But in practice neither such goods nor stores exist.

Until a classification and detailed assortment of goods for young people (from 17 to 23 years old) are elaborated, it is impossible to solve this urgent social and educational problem. It is necessary to solve it by the cooperation of modeling, production and trade. And, of course, a very important role is being assigned here to the study of demand.

It is well known that the process of consolidating trade organizations is taking place in the sector. Promtovary and Prodtovary associations and city cost accounting administrations of trade are being created in place of several trade organizations. The wholesale-retail Sporttovary and Mebel' associations are appearing. One of the tasks of such consolidation is to create better conditions for commercial work, including for the study of demand. Therefore the ministries of trade of the republics should set up special control over the creation of services for the study of demand at such associations and should gather there skilled specialists. In turn, the All-Union Scientific Research Institute of Consumer Demand and Market Conditions should also draw up procedural instructions on the organization of the study of demand at these new consolidated organizations and organs of management.

The most important role in the improvement of the work on the study of demand belongs to science. The All-Union Scientific Research Institute of Consumer Demand and Market Conditions is the leading institute in the country for the study of the problems of demand. The themes, the level of research and the depth of the elaboration of problems of this scientific collective determine in essence the status of this science as a whole. The All-Union Scientific Research Institute of Consumer Demand and Market Conditions and its branches in the union republics annually conduct studies on a large group of themes, which are formed mainly on the basis of the orders of trade organizations and industry.

Some of the problems, in the solution of which the collectives of scientific research institutes should engage in the immediate future, have already been named. However, particular attention should be directed to the relationship between applied and basic research.

The formulation of a statute on the procedural supervision of the study of demand in the sector is among the priority applied studies, for the elaboration of which experienced workers have an extreme need. Such a document would make it possible to lend a purposeful and specific nature to procedural supervision.

Experienced workers also have a great need for the elaboration of a system of the recording of production and the needs for cultural, personal and household goods, which are not planned centrally. At present this work of the institute is undergoing expe imental checking in two union republics. It must be expedited.

The development of SKIPS, in which 17 scientific research institutions will take part, will be continued during the 11th Five-Year Plan. This is a task of great national economic importance, therefore both the All-Union Scientific Research Institute of Consumer Demand and Market Conditions and the coperformers should take the most serious steps for the assurance of its fulfillment on the set date and at a high theoretical scientific level.

It is necessary to continue the formulation of forecasts of consumption, demand, the retail commodity turnover and the need for goods for short-term and intermediate-term periods. These forecasts are already now being used by the system of the USSR Ministry of Trade, by republic ministries, USSR Gosplan and the Gosplans of the union republics for the substantiation of the long-range plans of the retail commodity turnover and its backing with goods.

It is also impossible to relax the attention to studies of the markets of goods and trade conditions. Additional and very important tasks in this area ensue from the decrees of the CPSU Central Committee and the USSR Council of Ministers, which are aimed at increasing the production of basic necessities and mass demand goods in 1981-1985. On the basis of the indicated decrees it is necessary to set up everywhere the systematic inspection of the level of satisfaction of the demand for these goods, to expand the current inspections of the state of trade in them and to increase the number of studies being conducted in accordance with the plans of centralized measures.

Scientific research institutes should also undertake more actively the elaboration of basic problems.

During the current five-year plan a number of studies of a program nature have been included for the first time in the plans of scientific research of the All-Union Scientific Research Institute of Consumer Demand and Market Conditions and other institutes. The All-Union Scientific Research Institute of Consumer Demand and Market Conditions jointly with academic and sectorial scientific research institutes has already begun the drafting of the section "Consumer Items and the Sphere of Services" of the comprehensive program of scientific and technical progress of the USSR up to 2005.

A long-range appraisal of the development of personal consumption with allowance made for the technical progress in those sectors, which are involved in the production, sale and consumption of material wealth, will be given within this study. A coordinating council for this problem, to which the monitoring of the conducting of the study has been assigned, has been set up in the USSR Ministry of Trade.

The drafting of the long-range goal program of the rationalization of consumption and the formation of demand, which includes the preparation of suggestions and measures, which are aimed at the achievement of the norms and standards of the rational consumption of goods and paid services for the period up to 2005, was begun in 1981.

Along with developments which have a practical use, the institutes should also conduct research of a theoretical nature.

It is well known that no science can develop for a long time without the extension of its theoretical and methodological base. However, in this research the content analysis of the basic underlying categories should not be replaced by scholastic theorizing, it should not be divorced from the specific conditions.

Planned organizing work on the improvement of the study of the demand of the population at all the levels of management of the sector is a task of great socioeconomic importance and a component of the plan of the 11th Five-Year Plan on the further improvement of the well-being of the Soviet people.

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TRADE CENTERS REPRIMANDED FOR MISMANAGEMENT

Kiev SIL'S'KI VISTI in Ukrainian 8 Apr 82 p 2

[Committee of People's Control UkrSSR: "Punished for Mismanagement."]

[Text] A check up by the UkrSSR People's Control Committee revealed serious violations of the financial discipline during the realization of fish by trade organizations of Kirovogradskaya and Nikolaevskaya Oblasts. Some of them, taking advantage of a lack of control, received from fish kolkhozes in Nikolaevskaya and Khersonskaya Oblasts unlimited fish over and above the determined funds and orders. In a number of instances this production was not passed on to the population, and in many cases was transferred wholesale to kolkhozes in Kirovogradskaya Oblast for feeding animals, which is direct squandering of state resources.

Yes, the Kirovograd wholesale-retail combine transferred half of its production to kolkhozes. A considerable amount of fish, received over and above the established funds was given up for feeding pigs by the stores of the department of worker supply at the Znamyanka station, Kirovskiy and Leninskiy Rayon food trade in Kirovograd, Znamyanskiy, Novoarkhangelskiy, Ulyanivskiy, Golovanivskiy and Dolynskiy Rayon consumer associations.

Kolkhozes im. Lenin and "Ukrayina" in Znamyanskiy Rayon, imeni Lenin in Dolynskiy, imeni Lytvynov in Novoarkhangelskiy, "Shlyakh do komunizmu" in Dobrovelychkivskiy, imeni Sverdlova in Kompaniyivskiy Rayon purchased this production also in stores in Nikolaev and Krivoy Rog, at the department of worker supply of the Krivoy Rog metallurgical plant imeni Lenin, and at the rayon restaurant trade in Kiev.

According to product transport papers, individual kolkhozes in the Kirovogradskaya Oblast received their production directly from the fish kolkhozes and combines in Nikolaevskaya, Khersonskaya and Odesskaya Oblasts with subsequent payment registered in cash through retail stores. In many instances managers of the Nikolaevskaya inter-oblast fish kolkhoz association (Comrade Uzun, administration chief) sent it out in large numbers without orders to the Kirovograd fruit combine. At the same time the fishing farms of this fish kolkhoz association did not fulfill their contracts on planned deliveries.

For the lack of timely measures to assure strict adherance to the funds discipline in trade enterprises of the associations "Kirovohradryba" and "Mykolayivryba" deputy head of "Ukrrybpromzbut" /Ukrainian fish industry sale/ comrade Stepanenko was issued a reprimand. It was noted that by an order to "Ukrrybpromzbut" employed individuals through whose fault the funds discipline was grossly violated have been called to account and that utilization of fish market funds is being checked in all oblast "Ukrrybpromzbut" associations.

By a decision of the UkrSSR People's Control Committee severe reprimands were also issued to the deputy chief of Kirovogradskaya Oblast trade administration, comrade Hubar'yev, the administration chief of Nikolaevskaya inter-oblast fish kolkhoz association, comrade Uzun, chief of the association "Mykolayivryba" comrade Pyshenin, chief of the "Kirovohradryba" association comrade Bohachenko was dismissed from work because of gross violations of the funds discipline, waste of edible fish and trade rules violations. The UkrSSR Ministry of Fruit Farming was instructed to decide whether comrade Hawrylenko, director of the Kirovograd wholesale-retail combine, should remain in his position.

As partial state compensation for the losses incurred an extra monetary fine in the form of three months' wages was levied on the head of the Nikolaev inter-oblast fish kolkhoz association comrade Uzun, chief of "Mykolayivryba" association comrade Pyshenin, chief bookkeeper of "Kirovohradryba" association, comrade Kukharyshyn, chief bookkeeper of the Kirovograd wholesale-retail fruit combine, comrade Savych; a fine of one month's wages was levied on deputy head, Kirovogradskaya Oblast trade administration, comrade Hubar'yev.

The Kirovogradskaya and Nikolaevskaya Oblast committees of people's control were instructed to review issues dealing with the responsibility of other individuals employed in trade organizations and kolkhozes guilty of squandering fish market funds and of violating trade rules. Data from this review accomplished by the Committee of People's Control, UkrSSR, were sent to the prosecutor's office of the Ukrainian SSR.

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July 29, 1982